CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—THIRTIETH PARLIAMENT

26 Elizabeth II

VOLUME VI, 1977

COMPRISING THE PERIOD FROM THE NINTH DAY OF MAY, 1977,
TO THE SIXTH DAY OF JUNE, 1977, INCLUSIVE

INDEX ISSUED IN A SEPARATE VOLUME

LIBRARY
Atomic Energy Control Board
JUL 17 1978
BIBLIOTHEQUE
Commission de controle de
l'energie atomique

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

Available from Printing and Publishing, Supply and Services, Hull, Québec, Canada K1A 0S9

80016—1½

HOUSE OF COMMONS

Monday, May 9, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

PROPOSAL TO ESTABLISH SPECIAL COMMITTEE TO CONSIDER CONSTRUCTION OF NORTHERN PIPELINE—MOTION UNDER S.O. 43

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43 and concerning the right of the Parliament of Canada to participate in decisions relating to a northern pipeline. If there is unanimous consent I would move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That a special committee of the House of Commons be appointed to consider and report upon proposals for the construction of a northern pipeline; that 15 members, to be named at a later date, be selected to serve on the committee; that the committee be authorized to conduct its discussions in such a way as to maximize public participation and understanding of the issues at stake; that the Berger commission report be referred immediately to the committee and that all subsequent reports on pipeline construction shall stand referred immediately to the committee upon tabling in the House; and that the said committee have the power to send for persons, papers and records and to examine witnesses; to sit during sittings and adjournments of the House; to report from time to time and to print such papers and evidence from day to day as may be deemed advisable.

Mr. Speaker: The presentation for debate of any motion pursuant to Standing Order 43 can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INCOME TAX

SUGGESTED AMENDMENT TO PROVIDE OPTION AS TO METHOD OF DEDUCTIONS AT SOURCE—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I too rise under the provisions of Standing Order 43 to request the unanimous consent of the House to my motion. Given the view expressed by the Minister of Finance (Mr. Macdonald) in a letter dated as long ago as November, 1976 that the problem of tax deductions at source for public servants based on their place of work, rather than on their place of residence, rested on the income tax regulations, and given the increasingly heavy burden that the levying of this tax is placing on public servants living in Ontario but finding Quebec to be their place of work, I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That this government be instructed by this House to amend the income tax regulations in such a way as to permit public servants to express an option with respect to the way income tax deductions may be made at source.

Mr. Speaker: Presentation of such a motion for debate pursuant to Standing Order 43 must be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HEALTH

REQUEST FOR INDEPENDENT STUDY OF MERCURY POLLUTION—MOTION UNDER S.O. 43

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I move under the provisions of Standing Order 43 a motion on a matter of urgent and pressing necessity. In view of the fact that the recent book by Warner Troyer entitled "No Safe Place" confirms the seriousness of mercury poisoning in Canada, in view of the fact the House has been repeatedly misled about the number of cases of Minamata disease, and in view of the fact there are allegations that the federal health department has suppressed information regarding the seriousness of mercury health hazards, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

● (1410)

That the federal government immediately commission an independent comprehensive epidemiological study on mercury pollution, and the entire matter be referred to the appropriate standing committee of the House of Commons.

Mr. Speaker: Pursuant to Standing Order 43, presentation of such a motion for debate can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

NORTHERN PIPELINE—REQUEST FOR COMMITTEE STUDY OF BERGER COMMISSION REPORT OR DEBATE IN HOUSE

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is to the Acting Prime Minister. Last week I asked the Prime Minister whether he was prepared to refer the report of Mr. Justice Berger to the appropriate standing committee of the House. I did not receive a reply to that question. Today, the government will be tabling that report, and there is still no indication as to whether the government of Canada is prepared to let this parliament consider that report or wants to make that and other decisions in secret by executive fiat. May we have, from the Acting Prime Minister now, a clear undertaking that when the Berger commission report is tabled this afternoon it will be immediately referred to the appropriate standing committee of parliament?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I am not in a position to give that undertaking at the present time. I have already expressed my doubt as to whether it will be useful to conduct another inquiry in light of the inquiry that has been conducted by Mr. Justice Berger. However, I am ready to tell the Leader of the Opposition that it will be possible for parliament to deal with this report, at least to debate it. I have commenced, in a tentative way, discussions with my counterparts in the other parties seeking a way by which we may be able to debate, under a general motion, the Berger report and other developments that may affect a pipeline decision. It seems to me that putting the question before parliament or giving parliament, as a whole, an opportunity to comment on the report might be more meaningful than at this stage to establish another inquiry. It would be better for us, as early as possible, to have a debate on the subject and then take it from there.

Mr. Clark: Mr. Speaker, the Acting Prime Minister and his colleagues have had three weeks to consider what they were going to do about this matter, at least three weeks.

Some hon. Members: Oh, oh!

Mr. Clark: The Acting Prime Minister now tells us that he does not think it would be useful, to use his words, for the parliament of Canada to play a role in looking into the recommendations which have been made by the Berger inquiry. He has suggested that instead there might be a debate of some duration, at this point unknown. May I ask the Acting Prime Minister if he intends to delay that debate in the House of Commons until after the National Energy Board has made a recommendation on matters relating to a northern pipeline?

Mr. MacEachen: Mr. Speaker, I believe it would be very important, as early as possible, to have parliamentary spokesmen from various parties comment in the way they wish on the very important conclusions that will be contained in the Berger report. It is not my intention to delay any such debate until after the National Energy Board reports. It may be that it will be useful to have a further debate after additional reports are received; but my intention would be to provide an opportunity for debate in the House of Commons which would give the parties and the individuals an opportunity to comment upon the conclusions that have been made by Mr. Justice Berger.

Mr. Clark: Mr. Speaker, the parliament of Canada is not interested in a role that reduces it simply to a commentator. The parliament of Canada wants the opportunity which lies at the root of the parliamentary process whereby members of this assembly representing the whole of the country might have an opportunity to discuss, in the detail necessary, the very important report that is going to be tabled this afternoon by Mr. Justice Berger. It is not adequate to have one day of debate as a replacement for committee study.

I would like to ask the Acting Prime Minister two things now. First, will he give us a commitment that there will be an opportunity for a committee of this parliament to consider the Berger report in the way it would consider other important reports? Second, will he give us a guarantee now that there will be an opportunity for the parliament of Canada, either in committee or preferably in a long debate in the whole House, to discuss this whole question after the National Energy Board has made its recommendation?

Mr. MacEachen: Mr. Speaker, briefly the answer to the first part of the question is no. I am not prepared to give a firm undertaking. The answer to the second part of the question is a qualified yes.

Mr. Clark: Mr. Speaker, we are now moving from the government saying nothing at all to giving us a qualified yes, which leaves the Parliament of Canada nowhere at all. We do not know what that means. Can the Acting Prime Minister tell the House of Commons how long a debate he is anticipating on the Berger commission report.

Mr. MacEachen: Mr. Speaker, as I said earlier, I hope to work out some arrangements with my counterparts on the other side of the House. It may be that we may all want to contribute some of the time available to us to deal with this important matter. On the part of the government, I am quite prepared to undertake that there will be a debate. I have not decided the length of the debate. I invite other parties perhaps to contribute some of their allotted days so that the debate can be useful and broad enough to provide input from all hon. members in the House.

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Apparently the minister prepared a memorandum and sent it to Canadian Press with regard to certain energy matters. In that memorandum, the minister stated that he had informed the United States energy chief, James Schlesinger, in March 1977 and I quote:

Under certain circumstances we might be prepared to continue our exports at a rate of 250,000 barrels a day—

Some hon. Members: Order.

Mr. Speaker: Order, please. I understood the hon. member was asking a supplementary to his leader's question. We will get to that later.

* * *

TRADE

CANADA-UNITED STATES AUTO PACT—ACTION TO ENSURE CANADA RECEIVES FAIR SHARE OF GROWTH IN INDUSTRY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Clause 1 of the Canada-United States automotive agreement asserts that both countries must share equitably in future growth of the industry. The minister in a recent statement at long last indicated that Canada has not been getting its fair share of new jobs in this industry in light of the fact that the Canadian market has grown more rapidly than that of the United States. What precisely is the minister or the government, through some other department, doing to ensure that we get our fair share of growth in this industry?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I think this problem is extremely complex. The hon. member has used our normal employment ratio. However, I would like to remind him that while the North American automobile market represents 9 per cent in Canada, we have in this field 11 per cent of the jobs. The problem is the balance of payments level where we had a deficit of about $1.1 billion last year. I believe we have greatly improved the situation, but negotiations will be needed in some areas to come to agreement on adjustment matters. But I must say that, generally speaking, the automobile pact has been extremely favourable for Canada.

[*English*]

ALLEGATION CANADA NOT RECEIVING FAIR SHARE OF AUTOMOTIVE PARTS INDUSTRY—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the minister should know, as his two predecessors indeed knew, that in terms of our share of jobs in the crucially important automotive parts sector, we have not been doing very well. As the minister knows, Canada currently consumes some 12 per cent of the automotive parts but only has 6 per cent of the jobs with a net loss of employment to Canadians in this high technology, highly paid sector, of some 20,000 jobs according to the president of the Canadian Automotive Parts Association. Is the minister concerned that the very guts of the automotive industry is being transferred from Canada to the United States? If so, what specifically does he plan to do about it?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member is very good at choosing only certain parts. He is now talking about the parts sector. I am aware of that. However, he did not refer to the fact that we have been doing very well on the assembly line and have a huge surplus with the United States on that. When we signed the agreement in 1964 or 1965, we were only producing 3 per cent of the North American production. We now produce 7.5 per cent. Therefore, the agreement has been very good. In terms of net jobs, we have 11 per cent of the jobs. Some adjustment has to be made, but up until now the auto pact has been extremely useful for the Canadian economy.

● (1420)

Mr. Broadbent: As a preface to my final question I wish to remind the minister that his two predecessors sat idly by during the past six years while our parts industry was transferred to the United States. That process is still continuing. If it continues for a few more years and the U. S. pulls out, we will have nothing to maintain the industry in this country. Therefore, I would like to ask the minister whether the government has any specific proposals to make to ensure that the essence of the whole industry, which is the parts industry, the skilled trade sector, will remain in Canada.

[*Translation*]

Mr. Chrétien: I am aware of the problems, Mr. Speaker, and I raised this issue with the American officials I met when I went to Washington a few weeks ago. We had our officials prepare a report on the over-all situation, following the conversations between President Ford and the Prime Minister (Mr. Trudeau), a report which I hope to table shortly. There are problems today, and there will be problems tomorrow. What I mean to say is that our position is quite favourable with respect to assembly lines, but unfavourable when it comes to auto parts. All in all, however, I feel that we have made considerable progress. I am keeping a very close eye on the situation. I hope it will improve in the future, but I resent the hon. member's suggestion that no progress has been made and that we shall have to return to the pre-auto-pact era.

* * *

REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF INQUIRY INTO DEPARTURE OF HEAD OFFICES FROM QUEBEC

Mr. René Matte (Champlain): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion.

Considering the alarming statements by the minister concerning the supposed exodus of company head offices from Quebec to other provinces and since he has refused to comment publicly on those statements, could he tell the House whether his department has undertaken any serious inquiry on that matter and can he report to the House to what extent company head offices are now leaving Quebec for other provinces?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, the department is not making any

extensive study on the phenomenon, but you will understand perfectly well that we are not indifferent to what is going on not only in Quebec but also in other provinces. During the last six months, and particularly lately, we have noted an increasing movement of transfer, and I thought it was my duty to mention it so that the authorities responsible, at both federal and provincial levels, might be aware of it and make the necessary corrections. It is not only important, Mr. Speaker, to note the transfer of head offices from one province to another, but also to note that within the head offices that are not moving, other transfers occur which are equally important and bad for the economy of a province, although in many instances the head offices themselves remain.

INQUIRY WHETHER MINISTER KNOWS OF STUDIES CONDUCTED IN QUEBEC

Mr. René Matte (Champlain): Mr. Speaker, on a supplementary.

Is the minister acquainted with the studies made in this connection by the Quebec government and is he aware that by far the majority of those so-called head offices were merely of fictitious companies which in fact had no facilities whatsoever in Quebec?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I merely want to point out one thing to the hon. member who seems to take lightly the fact that head offices are being moved out of Quebec. Why, if my allegation had not been serious, had been without any basis, would six Quebec ministers have seen fit to deny it so vehemently?

MEASURES TAKEN BY MINISTER TO STOP DEPARTURE OF HEAD OFFICES FROM QUEBEC

Mr. René Matte (Champlain): Mr. Speaker, I have another supplementary.

In view of the minister's interest in this matter which he seems to regret, can he tell us what steps he intends to take to counter those famous transfers?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, may I say to the hon. member that if he had, as I hope he did, studied some of the statements I made publicly at seven or eight conferences where I was invited to speak, he would know that I insisted strongly on the situation. In particular, I urged English Canadian firms now in Quebec not to abandon it, and not only that, but to continue investing there if they feel that Quebec should remain within Confederation.

[Mr. Lessard.]

[*English*]

EXTERNAL AFFAIRS

REFERENCE TO PRIME MINISTER'S CONDUCT AT BUCKINGHAM PALACE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would like to direct a question to the Acting Prime Minister. Knowing him to be a loyal and devoted subject of the Queen of Canada I wonder if he has any observations to make in connection with an exhibition put on by the Prime Minister, shown on CBC television, at Buckingham Palace when the Prime Minister did a caricature pirouette behind the Queen accompanied by, to say the least, unseemly gestures. Has he any observation to make on the propriety of that?

Hon. Allan J. MacEachen (Acting Prime Minister): No, Mr. Speaker.

* * *

ENERGY

OIL—GOVERNMENT POLICY ON EXPORTS TO UNITED STATES

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. As far as we know, it has been the government's policy up until now to cut off oil exports to the United States in 1981 and to reduce them up until that year. The minister has apparently proposed to Dr. Schlesinger that Canada might guarantee exports of oil to the United States for five years subject to certain conditions. Has the Canadian policy now changed, and what are the circumstances or conditions to which the minister was referring in his offer to Dr. Schlesinger?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, it is quite true that Dr. Schlesinger and I talked about the question of supplying the northern tier refineries through a continuation of Canadian oil or possibly through other methods, including "yo-yoing" the Trans-Mountain Pipeline, the Kitimat application and another application, which may appear before the United States regulatory authorities, for a pipeline from Cherry Point paralleling the Canadian border. We explored Canadian policy on the basis of being able to make Canadian supplies available to the Americans on a secure oil basis; let us say swapping secure oil for secure oil. We also examined the possibility of using the potential of the Wabana iron ore mines and the franchise arrangement granted by the Newfoundland government to Wabanex for an oil storage facility which would be used perhaps to provide that kind of security for Canadian users.

MINISTER'S ASSESSMENT OF FOOTHILLS' PIPELINE PROPOSAL

Mr. John C. Crosbie (St. John's West): Mr. Speaker, in the minister's same memorandum he refers to the Foothills Pipeline Limited proposal for a pipeline to bring gas from the Mackenzie Delta, and before receiving the Berger Report or any other report the minister has apparently concluded that

that is not a serious option at the present time because of low volume gas discoveries. Would the minister confirm that that is his opinion, and if it is, is the minister not pre-judging both the Berger Report and the NEB report, which he has criticized other hon. members for doing?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think many Canadians have observed that the threshold volumes in the Mackenzie Delta are not sufficient to justify an all-Canadian pipeline at the present time. Indeed, I have had discussions with various members of the industry, including proponents of the Maple Leaf of the Foothill line from the Mackenzie south, and they have indicated to me that they have not seen those threshold volumes either. I do not want to speculate further as to whether they have completely abandoned that particular proposal; that is for them to say before the NEB. I have noted, however, that they have been placing increasing stress on the other proposal they put before the NEB, the Alcan proposal.

ALLEGED LACK OF GOVERNMENT COMMITMENT TO SOLAR ENERGY

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources, and it concerns the government's failure to bring forward a comprehensive energy policy. I refer specifically to a report released last week which was financed by the Department of Supply and Services and which stated that there has been no clear, unequivocal commitment by the government to solar energy. I wonder if the minister will tell the House whether he agrees with the recommendation in the report for a vastly increased solar energy effort, and if so, what concrete steps is the minister planning in the near future?

● (1430)

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I have not seen the particular report to which the hon. member is referring but I take issue with him when he says we have no comprehensive energy policy. I will send him a copy and perhaps he will read it and give us the benefit of his conclusions. As to the question of solar energy and its place in Canada, I agree that it is a very important source of energy. We are significantly funding demonstration projects all across the country. We have increased very materially our support for energy research and development and the demonstration of solar energy in Canada.

Mr. Neil: Mr. Speaker, a supplementary question. If there is a comprehensive policy on energy I am sure hon. members on this side of the House would like to see it. Last week the minister told the House that the United States energy policy was merely a copy of his own. I might say it is a measure of the achievement of the Carter administration to adopt a policy which does not really exist. With regard to the U.S. federal public building program that includes a clear commitment to make use of solar energy in the heating of public buildings, I wonder if the minister will advise whether we have a similar policy for our government buildings and if not, why not?

Mr. Gillespie: Mr. Speaker, at the present time we are looking at two specific proposals which would involve federal government buildings.

POSSIBILITY OF DELAYING NEGOTIATIONS ON SALE OF NUCLEAR REACTORS IN VIEW OF DECISION AT SUMMIT CONFERENCE

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Acting Prime Minister and relates to the actions of the government in relation to the decisions and conclusions which came from the Economic Summit Conference in London at the weekend. One of the decisions in which Canada took part and obviously wholeheartedly agreed with was for a two-month "urgent study" to determine how best to prevent the proliferation of weapons and materials for nuclear weapons and indeed the whole question of nuclear power reactors throughout the world. As a result of that, has the government issued a directive to all government departments and agencies to immediately cease and desist any further negotiations or dealings in regard to fissionable materials, nuclear reactors or similar equipment and if not, why not?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, the hon. member will realize that the Downing Street summit not only referred to the risks of nuclear proliferation and undertook a commitment to study on an urgent basis the question of safeguards but it also underlined the need to use nuclear energy to meet the world's energy requirements. There are those two aspects to the London conclusion. The direct answer to the hon. gentleman's question is no.

* * *

GOVERNMENT ADMINISTRATION

POSSIBILITY OF BANNING PAYMENT OF SECRET COMMISSIONS OR AGENCY FEES AS RESULT OF DECISION AT SUMMIT CONFERENCE

Mr. Allan Lawrence (Northumberland-Durham): A supplementary question, Mr. Speaker. I must say it seems strange if our policy would contravene any result of that study, especially when it is coming out within two months. My second question concerns the summit conference press release which indicated that a compromise decision of the conference called for a ban against irregular business practices and improper conduct in international trade. I wonder if the government has done anything about this. In particular, has it banned any departmental agency or department of government from paying commissions or secret commissions or agency fees to any

numbered Swiss bank account as an example of this type of ban or prohibition they are seeking?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I have not seen any reference in the declaration which emerged from the summit dealing with this particular point raised by the hon. member. In any event, it was dealt with last December by the President of the Treasury Board in the guidelines.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

PROPOSED ADOPTION OF ECONOMIC AGREEMENT WITH QUEBEC—PROGRESS OF NEGOTIATIONS

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

To prevent residents of the Lower St. Lawrence, Gaspé and Magdalen Islands regions from moving to Ontario or other parts of Canada, could the minister tell the House whether he has recently boxed his Quebec counterpart's ears with a view to speeding up the conclusion of the agreement on economic development in that region, which was about to be concluded on November 15, 1976, that tragic date for the province?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I can tell the hon. member that we had a meeting a few days ago, as he himself is aware, and during this meeting we discussed how important it was to conclude those negotiations. But unfortunately I must tell the hon. member that the Quebec government is persisting in its position that it is better to agree on changes to the existing agreements rather than to enter into a new auxiliary agreement which we had referred to as resource-region and which I continue to prefer by far to what is now being proposed. Of course the final decision will rest with the provincial government, at least with regard to the content of those agreements. I hope we will be able to find a reasonable common ground to satisfy the largest number possible of people concerned.

* * *

[*English*]

ENERGY

SALE OF CANDU REACTOR TO SOUTH KOREA—CONFLICTING STATEMENTS ON USE OF AGENT—GOVERNMENT POSITION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. An article in yesterday's Toronto *Sun* substantiates an earlier report in the Toronto *Star* that no agent was involved in the sale of a CANDU reactor to South Korea. In view of the fact that four top-ranking officials of Korean Electric Company have stated publicly that Shaul Eisenberg was not involved in the sale of the reactor and that AECL was notified by the Korean Electric Company that the sale would be negotiated only if no intermediary agent was appointed while at the same time the Canadian Crown corporation was paying $15 million in fees and expenses to Mr. Eisenberg, will the minister explain to the House the discrepancy between these two positions, recognizing that the payment of some $15 million in public moneys is involved?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think the report the hon. member has alluded to is largely false. I would suggest to her that she might like to confer with her colleague the chairman of the public accounts committee. I believe that within the last few days the Secretary of State for External Affairs has conveyed to him a full report on the discussions that took place with respect to the Korean Electric Company officials and their knowledge of Mr. Eisenberg's part in the agency arrangements. If she would confer with him I think she would find it all laid out in the record.

Miss MacDonald: Mr. Speaker, I would like to remind the hon. minister that I have been sitting on the public accounts committee for some four months now awaiting vouchers and documentation in support of the $15 million expenditure but we are not getting it. Is the minister in his response dismissing out of hand the statements attributed to officials of the Korean Electric Company? Will the minister also inform the House of the progress made with regard to the statement by the Prime Minister on March 3 when he said:

> Mr. Speaker, we—
>
> Meaning, I presume, the government.
>
> —will try to ascertain whether the quotes were accurate and what exactly was said by the gentlemen, and if there is indeed a contradiction between the two positions, I will see what further action can be taken in order to comply with the lady's concern.

Has the minister found out if the statements were accurate and what action has he taken to try to clear up what is becoming an increasingly suspicious matter?

Mr. Gillespie: Mr. Speaker, I have already indicated what action has been taken. The Secretary of State for External Affairs has conveyed a letter to the chairman of the public accounts committee. Perhaps it has not reached his desk yet but I saw it at the end of last week.

Mr. Lawrence: You saw it before I did.

Mr. Gillespie: It goes into considerable detail.

Miss MacDonald: You saw it before Mr. Eisenberg, I bet.

Mr. Gillespie: It deals with the questions the hon. member has raised of statements from the officials of the Korean Electric Company. If the report in the Toronto *Sun* indicates that a senior operating officer of the Korean Electric Company was unaware of Mr. Eisenberg's position as agent, it is false.

SUGGESTION PUBLIC ACCOUNTS COMMITTEE INVESTIGATE USE OF AGENTS IN SALE OF CANDU REACTORS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question for the Acting Prime Minister. I will not pursue the question of asking for a Royal commission inquiry because this government has shown its sensitivity about Royal commission inquiries into its alleged misdeeds. Is the government prepared to ask this House to give the public accounts committee full authority to pursue an investigation with unrestricted powers to compel the attendance of witnesses and the production of documents if necessary by warrant, without any interference by use of the Crown executive privilege and to engage investigators and to have this investigation carried on outside Canada if necessary so that the unfortunate taxpayers of this country may get some protection?

● (1440)

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I cannot comment in detail on each of the apparently unprecedented powers sought by the hon. gentleman.

Mr. Baker (Grenville-Carleton): The situation is without precedent.

Mr. MacEachen: However, when the public accounts committee was established, the government undertook to facilitate its work in every possible way. If the public accounts committee itself decides it needs further powers, identifies what they are and how they are to be exercised, of course the government would consider the matter, but the public accounts committee itself knows what action to take if it has reached that conclusion.

RESPONSIBILITY OF GOVERNMENT TO SEEK INFORMATION ON PAYMENT OF AGENTS' FEES IN SALE OF CANDU REACTORS

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, may I ask the Acting Prime Minister if he does not believe that the government has some responsibility to satisfy itself where all this money went and what practices were involved? Does it feel it can slough off this responsibility simply by making a reference to the public accounts committee, or does the Acting Prime Minister believe that we think he and his colleagues are so stupid that they could not get this information if they wanted to get it?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, the reference to the public accounts committee arose from a demand in the House of Commons, since it was suggested that this would be the appropriate way to establish the facts. In response to an opposition demand, and not in an effort to slough off its own responsibilities, the government agreed to make this particular reference. That is the history of the matter.

Mr. Stanfield: A supplementary question, Mr. Speaker. Since the government is ultimately responsible not to parliament but to the people of Canada, does the Acting Prime Minister believe the government has no responsibility to find out and satisfy itself where this money went? Does the government believe it has discharged its responsibility and expect anybody to believe it has so discharged its responsibility to date?

Mr. MacEachen: Mr. Speaker, the government, obviously, has attempted to discharge its responsibilities. Ministers have appeared before the committee in order to give full information. We are still ready to consider how to facilitate the work of the committee. The Minister of Energy, Mines and Resources and the Secretary of State for External Affairs have both been extremely forthcoming in providing information on these matters.

* * *

INDIAN AFFAIRS

MERCURY POLLUTION OF ENGLISH-WABIGOON RIVER SYSTEM—INQUIRY WHETHER ONTARIO REQUESTED CLOSURE

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development and concerns mercury pollution in the English-Wabigoon river system which is threatening the health of the native people in the area. In view of an Ontario government task force report in 1973 which recommended that the river system should be closed to all fishing, and in view of the federal government's power to close the river system at the request of the province, has the Ontario government at any time asked the federal government to close this river system to all fishing?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Not to my knowledge, Mr. Speaker.

MERCURY POLLUTION OF ENGLISH-WABIGOON RIVER SYSTEM—FEDERAL REQUEST THAT ONTARIO CLOSE TO FISHING

Mr. Cyril Symes (Sault Ste. Marie): A supplementary question, Mr. Speaker. Has the federal government, in its consultations with the Ontario government, urged Ontario to take the necessary steps to ban sports fishing in the English-Wabigoon river systems so that the people in the area will be protected from mercury poisoning? Also, what reasons has the Ontario government given for not complying with the federal government's request?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, I personally met with three Ontario ministers and urged on them the closing of the river. I also proposed a meeting with them in order to develop an economic development package for the people of the area. So far, Ontario has not made a positive response.

Mr. Broadbent: When was the meeting?

Mr. Allmand: The meeting was prior to the new year, either in November or December.

Oral Questions

URBAN AFFAIRS

GRANVILLE ISLAND, VANCOUVER—FUTURE OF PROPERTY AND PURPOSE OF EXPENDITURE

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of State for Urban Affairs. In view of activities and reports concerning Granville Island in the city of Vancouver, and the expenditure there of some $25 million by the trustees of CMHC which, even though no housing or mortgages are involved, owns the property, what is the federal government's policy concerning the future of this property and what is the purpose of the proposed expenditure?

An hon. Member: They are going to call it Basford Bay.

[*Translation*]

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, this is a demonstration project which has already given excellent results and which involves an important part of Vancouver. This project has been under way for a certain number of years and it is now about to be completed.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

SPRUCE BUDWORM—USE OF PESTICIDE SPRAYS IN FRASER CANYON AREA—APPROVAL FOR USE OF ORTHENE

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, in the absence of the Minister of the Environment, may I direct my question to the acting minister or the parliamentary secretary? In view of the urgency of the matter and since federal officials have been engaged in discussing this question, could the acting minister advise whether a final decision has been made regarding the use of pesticide sprays in the control of the serious budworm infestation in the forests of the Fraser Canyon area of British Columbia?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): No, Mr. Speaker, I understand that a final decision has not been made, although the government of British Columbia is expected to make such a decision this week. The view of the federal Department of Fisheries and the Environment is that, if it is properly handled, there are no serious dangers connected with the use of the pesticide needed to fight the spruce budworm.

Mr. Patterson: A supplementary question, Mr. Speaker. In view of the wide divergence of opinion on that particular question, can the parliamentary secretary advise whether, as has been alleged by some, the pesticide Orthene is still in the experimental stage, or has it been fully tested and approved for use in such circumstances?

Mr. Fleming: Mr. Speaker, Orthene has undergone extensive tests, as is necessary before its approval for use.

[*Translation*]

NATIONAL DEFENCE

ALLEGATION RUSSIAN SUBMARINES OPERATING OFF WEST COAST—REQUEST FOR REPORT

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I wish to put a question to the Minister of National Defence.

[*English*]

Could the minister confirm—

Some hon. Members: Oh, oh!

An hon. Member: Continue in French.

Mr. Baker (Grenville-Carleton): You are a phony, Anderson.

Mr. Anderson: Mr. Speaker, could the minister confirm that two Yankee class Union of Soviet Socialist Republic nuclear submarines are on station off the west coast of Canada and the northwest coast of the United States on a 365-day a year basis, and say whether the submarines carry tactical nuclear weapons and, if so their numbers?

Mr. Baker (Grenville-Carleton): How can the minister know that?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, I prefer not to comment in any detail but confirm that there are such submarines operating off the Pacific coast of Canada and the United States.

Mr. Nowlan: What about the Atlantic coast?

* * *

ENERGY

AVAILABILITY OF MIDDLETON REPORT ON RENEWABLE ENERGY—GOVERNMENT POSITION

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Has the report on the potential and costing of renewable energy in Canada, by Middleton Associates, reached the minister's attention yet?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, if the hon. member is referring to the report prepared and submitted some time last fall.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, actually, the report was submitted last April. If the minister has read it, would he make the report available to the public, particularly to municipalities and provincial governments?

Mr. Gillespie: Mr. Speaker, I will be happy to consider that suggestion.

[*Translation*]

INCOME TAX

REGULATIONS GOVERNING DEDUCTIONS FOR EMPLOYEES WORKING IN ONE PROVINCE AND RESIDING IN ANOTHER

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Minister of National Revenue.

In view of the problems caused by the current system of deducting federal and provincial tax before issuing pay checks to civil servants residing in one province but working in another, is the minister prepared to tell us whether the regulations in this regard will be amended so that each civil servant can express his own preference.

Hon. Monique Bégin (Minister of National Revenue): I am not sure, Mr. Speaker, I understood quite well the sense of this question. I would like the hon. member to give me details.

Mr. Munro (Esquimalt-Saanich): It is about regulations governing income tax deductions. Could the minister tell us if they are going to be amended so that civil servants might express their own preference?

Miss Bégin: Unless I am mistaken, it is about the problem of federal civil servants working in Hull. To my knowledge, this problem does not exist. Pensions are not a real problem since benefits are the same for people living in Quebec or in Ontario.

* * *

● (1450)

[*English*]

THE CANADIAN ECONOMY

ESTIMATED DATE OF UPTURN IN ECONOMY AND END OF CONTROLS

Mr. Gordon Ritchie (Dauphin): A question for the Minister of Industry, Trade and Commerce, Mr. Speaker. In view of the diverging courses of the United States and the Canadian economy—in the United States unemployment is dropping while in Canada it is rising—and since business indicators in the two countries also show considerable divergence—indicators in the United States are rising while in Canada they are falling—and since historically Canada follows the U.S. pattern, when does the minister consider we can expect an upturn in our own economy compared with that of the United States?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, so much the better if the American economy is improving. I do not agree with the hon. member that we are necessarily lagging behind the United States. On the contrary, during the past three years, our economic performance was better than the Americans' and if the situation is improving there at the present time, it is certainly going to stabilize our situation in Canada and we can only benefit from any improvement occurring there. In my opinion, the hon. member knows full well that for the first time in the past three winters Canada had less unemployment than the United States.

[*English*]

Mr. Ritchie: In view of the depressing effect of controls, when will the government announce clearly that controls are to end?

[*Translation*]

Mr. Chrétien: Mr. Speaker, as far as controls are concerned, we have passed a law and it is clear that the law stipulates that we cannot continue to have them after December 1978.

* * *

[*English*]

ENERGY

DRILLING IN BEAUFORT SEA—CONSULTATIONS WITH NORWAY ON BLOW-OUT IN NORTH SEA

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. It relates to a recent decision by the government of Norway to postpone indefinitely test drilling of oil and gas deposits off its northern coast bearing in mind last month's blow-out in the North Sea. In view of proposals to drill in the Beaufort Sea this summer, could the minister tell us what steps have been taken to consult with the government of Norway with respect to this decision and is it being taken into account when considering possible locations for future drilling in the north?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): I shall be pleased to give the hon. member a more complete report but I can tell him that a member of my department was in Norway recently during those sad events and has come back to make a report. I have not received his full report yet.

Mr. MacDonald (Egmont): In view of the fact that the government of Norway has invited the countries bordering the North Sea to attend a conference next month to consider the implications of the accident and the experience gained from it, together with proposals for co-operation in the future, may I ask whether Canada has been invited to take part, perhaps as an observer? Will the minister take steps, if this is not the case, to gain the information which will be disseminated at that meeting?

Mr. Gillespie: We shall certainly expect to gain access to the information. Whether we have been invited to the conference or not I do not know, but I shall be pleased to find out.

Oral Questions

REGIONAL ECONOMIC EXPANSION

DATE OF OPENING OF SUFFIELD PASTURE IN VIEW OF DROUGHT CONDITIONS

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my question is addressed to the Minister of Regional Economic Expansion. In view of the continuing serious drought in southern Alberta and southwest Saskatchewan, areas which saw no relief from last week's rain, will the minister tell us when he will announce the opening of the Suffield PFRA pasture as he clearly indicated he would at a recent meeting of the standing committee?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): We have been working on two plans; first, to set up the permanent pasture on that Suffield land and then to try to use it on a temporary basis. As for the permanent pasture, arrangements will likely be concluded early in June. I hope that by mid-June we shall be in a position to end our discussions with the Department of the Environment and the Department of National Defence. Things are going very well, now. As for the emergency pasture, we hope arrangements will be completed soon. We are still working to find appropriate water locations which will service the cattle to be moved there. I would say that these arrangements will be completed in a matter of days, or weeks at the most.

* * *

MULTICULTURALISM

PROPOSED PROGRAM FOR THIRD LANGUAGE TRAINING—DATE OF COMMENCEMENT—SUPPORT FOR SUPPLEMENTARY SCHOOLS

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is addressed to the minister responsible for multiculturalism. It is related to a statement made by the former minister in a speech at Edmonton on January 29 of this year. At that time, the hon. member for Hamilton East stated that by April the government would be prepared to provide assistance in connection with projects to improve teaching skills of teachers involved in third language training in Canada's supplementary schools. As we are now into the month of May, I should like to know whether the hon. gentleman is now prepared to introduce such a program and, if not, when he will be prepared to do so.

Hon. Joseph-Philippe Guay (Minister without Portfolio): I am not aware of the details of what was said by the minister previously responsible for multicultural affairs. I have not given the matter any consideration, nor do I anticipate doing so at the moment.

Mr. Mitges: In the same speech, the hon. member for Hamilton East announced the government's intention to provide support for the operation of supplementary schools in recognition of the important role played by those schools in language retention. Could the minister inform us whether he is developing guidelines for such a program and, if so, when we can expect this program to be introduced?

[Mr. Gillespie.]

Mr. Guay (St. Boniface): I have not considered any of the speeches made by the previous minister, neither can I speak on that particular subject at the moment.

Some hon. Members: Oh!

* * *

VETERANS AFFAIRS

CONTINUATION OF PAYMENT OF DISABILITY PENSION IF ONE SPOUSE DIES—GOVERNMENT POSITION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs? It relates to a resolution submitted by the War Amputations of Canada urging that where a war disability pension is paid to a married couple and one spouse dies, the pension be continued in full for one year. In view of the fact that this resolution has been presented on other occasions, and repeated recently, can the minister tell us whether his department is considering the proposal?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): This resolution, like others, is under consideration in the department.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

BROADCASTING OF WORLD HOCKEY ASSOCIATION GAMES TO PROMOTE NATIONAL UNITY

Mr. Louis Duclos (Montmorency): Mr. Speaker, my question is directed to the Secretary of State.

Since the finals of the World Hockey Association will get under way this Wednesday between two Canadian teams, the Winnipeg Jets and the Quebec Nordiques, would the minister tell the House if he has made or will make representations to CBC to have this sport event aired over both networks so as to continue to promote national unity?

[*English*]

Hon. John Roberts (Secretary of State): Mr. Speaker, I am well aware that the hon. member is interested in this event since we often watch the hockey series on television in the lobby together.

An hon. Member: Is that why you are never in the House?

Mr. Roberts: After the House is over; the games go on after ten o'clock. I shall be happy to refer the hon. member's representation to the appropriate bodies to ascertain what answer they can give.

[*Translation*]

TRADE

REASON FOR IMPORTS OF BROILERS FROM UNITED STATES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce.

Last week, more precisely May 4, I was asking the minister whether he could tell the House if massive imports of broilers were authorized after consultation with the Minister of Agriculture responsible for the nutrition of Canadians. At that time, he said he would answer the day after. Is the minister prepared today to give us an answer on that subject?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I looked into that question and there has been indeed an increase of about 5 to 7 per cent in broiler imports in Canada since the beginning of the year, which is about normal according to the expansion of the market. Of course we are concerned about that situation. The Minister of Agriculture and my department are reviewing that problem and I do not know whether we will be able to provide an answer to the House in the near future. So far no action has been nor can be taken in the current circumstances, but maybe we will take some in the weeks to come.

INQUIRY WHETHER MINISTRY ISSUES PERMITS FOR IMPORTATION OF BROILERS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, this is a very serious question and the producers have been insistently asking us whether the Department of Industry, Trade and Commerce has been issuing import permits or whether there is any control by the department. I would like to get an answer.

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not know whether I will be able to give a technical answer to the question of the hon. member, but as far as I know import permits are not required. We make a continual survey of import levels. This week the Minister of Agriculture is going to have discussions on this matter with his provincial counterparts and afterwards we will of course take the advice of his department to see whether the situation calls for any urgent action.

* * *

● (1500)

[*English*]

INCOME TAX

DEDUCTIONS FROM EMPLOYEES RESIDING IN ONTARIO AND WORKING IN QUEBEC—POSSIBILITY OF CHANGE IN REGULATIONS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to address a question to the Minister of National Revenue supplementary to that posed by my colleague for Esquimalt-Saanich having to do with the deduction of income

tax from the salaries of public servants living in Ontario and employed in the Public Service of Canada in the province of Quebec. Given the fact that the Minister of Finance, in November 1976, indicated that it was, in his judgment, a matter of regulation—and therefore a change of regulations could cure the situation—is the government of Canada contemplating a change in the regulations? If so, when? If not, why not; and when will the minister be prepared to make a statement with respect to this matter, which has been the subject of public discussion for almost a month now in this House?

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, for the last two weeks in particular I have been answering questions in the House on the matter from members on this side and the other side. Representations have been made to me by my own colleagues for more than a month. I have explained to the House in detail the various steps that we are taking and the two solutions I am contemplating with the Minister of Finance. Unless I recommend final approval of the second solution which I said was not an ideal one, I should like the House to give me a few more days to see whether we will receive the positive answer expected from the government of Quebec.

Mr. Nystrom: Mr. Speaker, I rise on a question of privilege. On Friday I gave Your Honour notice of a question of privilege which I wanted to pursue in a very serious way with the Minister of Labour concerning the Finn commission established two years ago following the death of five people in a fire at Burrard terminal, Vancouver. However, since the Minister of Labour is not here today, I think out of courtesy I should wait until he returns and pursue it tomorrow.

Mr. Leggatt: Mr. Speaker, I rise on a point of order which arises from my understanding of today's business. I understood that the government would be calling Bill C-51.

Mr. Speaker: Order, please. Perhaps the hon. member would raise his point of order on orders of the day.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

NORTHERN PIPELINE—TABLING OF REPORT OF BERGER INQUIRY

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, I should like to table, under Standing Order 41(2), copies, in both official languages, of the report of the Mackenzie Valley pipeline inquiry prepared by Mr. Justice Berger.

Order Paper Questions

MISCELLANEOUS STATUTE LAW AMENDMENT ACT, 1977

MEASURE TO CORRECT ANOMALIES IN REVISED STATUTES OF CANADA, 1970

Hon. Ron Basford (Minister of Justice) moved for leave to introduce Bill C-53, to correct certain anomalies, inconsistencies, archaisms, errors and other matters of a non-controversial and uncomplicated nature in the Revised Statutes of Canada, 1970, and other acts subsequent to 1970.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 1,424 to 1,449, inclusive, 2,056 and 2,078.

[*Text*]

DEPUTY MINISTERS OF CONSUMER AND CORPORATE AFFAIRS SINCE APRIL 1, 1968

Question No. 1,424—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of Consumer and Corporate Affairs and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Grandy, J. F., December 21, 1967; Osbaldeston, Gordon F., March 1, 1972; Pitfield, P. M., March 1, 1973; Ostry, Sylvia (Dr.), February 19, 1975.

DEPUTY MINISTERS OF TREASURY BOARD SINCE APRIL 1, 1968

Question No. 1,425—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Treasury Board and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Reisman, S. S., April 1, 1968; Johnson, A. W., April 1, 1970; Osbaldeston, Gordon F., February 1, 1973; Leclair, J. M. (Dr.), December 15, 1976.

DEPUTY MINISTERS OF JUSTICE SINCE APRIL 1, 1968

Question No. 1,426—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of Justice and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Maxwell, D. S., March 1, 1967; Thorson, D. S., March 1, 1973.

[Mr. Allmand.]

DEPUTY MINISTERS OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT SINCE APRIL 1, 1968

Question No. 1,427—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of Indian Affairs and Northern Development and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): MacDonald, J. A., March 1, 1968; Robinson, H. B., March 1, 1970; Kroeger, Arthur, December 20, 1974.

DEPUTY MINISTERS OF POST OFFICE SINCE APRIL 1, 1968

Question No. 1,428—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Post Office Department and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Wilson, W. H., 1961; Faguy, P. A., October 3, 1968; MacKay, J. A. H., August 12, 1970; Corkery, J., February 3, 1977.

DEPUTY MINISTERS OF PUBLIC WORKS SINCE APRIL 1, 1968

Question No. 1,429—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of Public Works and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): MacDonald, J. A., March 1, 1968; Boucher, Jean, May 1, 1975; Williams, G. B., January 22, 1976; MacKay, J. A. H., January 24, 1977.

DEPUTY MINISTERS OF INDUSTRY, TRADE AND COMMERCE SINCE APRIL 1, 1968

Question No. 1,430—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of Industry, Trade and Commerce and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Reisman, S. S., July 1, 1964 (Deputy Minister of Industry); Warren, J. H., September 1, 1964 (Deputy Minister of Trade and Commerce); Warren, J. H., April 1, 1969 (Deputy Minister of Industry, Trade and Commerce); Grandy, J. F., October 1, 1971; Stoner, O. G., May 1, 1975; Osbaldeston, Gordon F., December 15, 1976.

DEPUTY MINISTERS OF MANPOWER AND IMMIGRATION SINCE APRIL 1, 1968

Question No. 1,431—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of Manpower and Immigration and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Couillard, J. L. E., July 15, 1968; Desroches, J. M., April 7, 1972; Gotlieb, A. E., May 15, 1973.

DEPUTY MINISTERS OF NATIONAL DEFENCE SINCE APRIL 1, 1968

Question No. 1,432—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of National Defence and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Armstrong, E. B., September 1, 1960; Cloutier, S., September 1, 1971; Nixon, C. R., May 15, 1975.

DEPUTY MINISTERS OF SCIENCE AND TECHNOLOGY SINCE JUNE, 1971

Question No. 1,433—**Mr. Herbert:**

Since June 1971, what are the names of all persons who have occupied the position of Deputy Minister of the Ministry of State for Science and Technology and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Beaulnes, A. (Dr.), September 1, 1971; Leclair, J. M. (Dr.), September 9, 1974; Hudon, Denis, January 1, 1977.

DEPUTY MINISTERS OF DEPARTMENT OF SOLICITOR GENERAL SINCE APRIL 1, 1968

Question No. 1,434—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of the Solicitor General and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): MacDonald, T. D., October 1, 1966; Côté, E. A., December 14, 1968; Tassé, Roger, August 1, 1972.

DEPUTY MINISTERS OF ENERGY, MINES AND RESOURCES SINCE APRIL 1, 1968

Question No. 1,435—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of Energy, Mines and Resources and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Isbister, C. M., October 1, 1966; Austin, Jacob, May 18, 1970; Shoyama, T. K., September 1, 1974; MacNabb, Gordon, April 1, 1975.

DEPUTY MINISTERS OF SUPPLY AND SERVICES SINCE APRIL 1, 1968

Question No. 1,436—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of Supply and Services and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Supply: Hunter, G. W., July 11, 1962, (Deputy Minister of Defence Production); Hunter, G. W., April 1, 1969, (Deputy Minister of Supply); Boucher, J., January 1, 1970; Desroches, J. M., April 19, 1973. Services: Balls, H. R., April 1, 1969; Fry, J. L., June 5, 1975.

DEPUTY MINISTERS OF EXTERNAL AFFAIRS SINCE APRIL 1, 1968

Question No. 1,437—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of External Affairs and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Cadieux, M., May 7, 1964; Ritchie, A. E., January 31, 1970; Robinson, H. B., December 9, 1974.

DEPUTY MINISTERS OF NATIONAL HEALTH AND WELFARE SINCE APRIL 1, 1968

Question No. 1,438—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of National Health and Welfare and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Health: Crawford, J. N., September 10, 1965; Leclair, J. M., April 1, 1970; Lupien, Jean, April 22, 1975. Welfare: Willard, J. W., July 12, 1960; Johnson, A. W., February 1, 1973; Rawson, B. S., August 15, 1975. Health and Welfare: Rawson, B. S., November 18, 1976.

DEPUTY MINISTERS OF TRANSPORT SINCE APRIL 1, 1968

Question No. 1,439—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of Transport and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Baldwin, J. R., 1954; Stoner, O. G., February 1, 1969; Cloutier, S., May 1, 1975.

DEPUTY MINISTERS OF FISHERIES AND OF THE ENVIRONMENT SINCE APRIL 1, 1968

Question No. 1,440—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of Fisheries and of the Environment and, in each case, what was the date of appointment?

Order Paper Questions

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Needler, A. W. H., February 26, 1963 (Deputy Minister of Fisheries); Needler, A. W. H., April 1, 1969 (Deputy Minister of Fisheries and Forestry); Shaw, Robert F., March 1, 1971 (Deputy Minister of Fisheries and Forestry); Shaw, Robert F., June 11, 1971 (Deputy Minister of Environment); Seaborn, J. Blair, December 31, 1974.

DEPUTY MINISTERS OF REGIONAL ECONOMIC EXPANSION SINCE APRIL 1, 1968

Question No. 1,441—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of Regional Economic Expansion and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Couillard, J. L. E., September 1, 1967 (Deputy Minister of Forestry and Rural Development); Kent, T., July 15, 1968 (Deputy Minister of Forestry and Rural Development); Kent, T., April 1, 1969 (Deputy Minister of Regional Economic Expansion); Love, J. D., September 1, 1971.

DEPUTY MINISTERS OF VETERANS AFFAIRS SINCE APRIL 1, 1968

Question No. 1,442—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of Veterans Affairs and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Côté, E. A., January 31, 1968; Hodgson, J. S., December 14, 1968; Brittain, B., April 22, 1975.

DEPUTY MINISTERS OF FINANCE SINCE APRIL 1, 1968

Question No. 1,443—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of Finance and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Bryce, R. B., July 1, 1963; Reisman, S. S., April 1, 1968; Shoyama, T. K., April 1, 1975.

DEPUTY MINISTERS OF LABOUR SINCE APRIL 1, 1968

Question No. 1,444—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of Labour and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Haythorne, G. V., February 28, 1961; Love, J. D., January 1, 1969; Wilson, Bernard, September 1, 1971; Eberlee, T. M., May 1, 1974.

[Mr. Herbert.]

DEPUTY MINISTERS OF URBAN AFFAIRS SINCE JUNE, 1971

Question No. 1,445—**Mr. Herbert:**

Since June 1971, what are the names of all persons who have occupied the position of Deputy Minister of the Ministry of State for Urban Affairs and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Oberlander, H. P. (Dr.), June 30, 1971; MacNeill, James W., January 24, 1974; Teron, William, June 15, 1976.

DEPUTY MINISTERS OF SECRETARY OF STATE DEPARTMENT SINCE APRIL 1, 1968

Question No. 1,446—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of the Secretary of State and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Steele, G. G. E., 1964; Léger, Jules, November 15, 1968; Boucher, Jean, March 1, 1973; Fortier, André, November 24, 1975.

DEPUTY MINISTERS OF COMMUNICATIONS SINCE APRIL 1, 1968

Question No. 1,447—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of Communications and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Gotlieb, A. E., April 1, 1969; Yalden, M. F., May 15, 1973.

DEPUTY MINISTERS OF AGRICULTURE SINCE APRIL 1, 1968

Question No. 1,448—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of Agriculture and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Williams, S. B., January 12, 1967; Hudon, L. D., April 1, 1975; Lussier, Gaëtan, April 18, 1977.

DEPUTY MINISTERS OF NATIONAL REVENUE SINCE APRIL 1, 1968

Question No. 1,449—**Mr. Herbert:**

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of National Revenue and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Labarge, R. C., January 5, 1965; Bennett, G. L., June 8, 1972; Connell, Peter, October 21, 1975.

AGRICULTURAL RESEARCH GRANTS

Question No. 2,056—**Mr. Schellenberger:**

1. How much money in the form of agricultural research grants were made in the past year by the government?

2. In what particular fields of the industry did the grants cover?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as Agriculture Canada is concerned: 1. $1,326,250.

2.

Fields	Amount
Animal Science	$ 277,150
Food Science	121,984
Plant Science	333,266
Soil Science	114,700
Entomology	134,600
Agricultural Engineering	80,350
Agricultural Economics	94,100
Veterinary Medicine	145,900
Environmental Quality	24,200
Total All Areas	$1,326,250

In so far as the National Research Council of Canada is concerned: 1. $2,220,000.

2. These grants were to university researchers doing agricultural research including animal, plant, soil, crop, horticulture and veterinary research and does not include research grants in biology indirectly related to agriculture.

ADVERTISING OF ALCOHOLIC PRODUCTS

Question No. 2,078—**Mr. Howie:**

Does (a) CBC follow (b) CRTC have guidelines with regard to the advertising of alcoholic products and, if so, what are they?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Canadian Broadcasting Corporation and the Canadian Radio-Television and Telecommunications Commission as follows: (a) Yes. (b) Yes. CRTC guidelines concerning the advertising of alcoholic products may be found in the following documents. Canadian Radio-television and Telecommunications Commission: To all radio and television stations, breweries, wineries and cider-houses and their advertising agencies: The following Wednesdays have been set for the meetings of the Beer, Wine and Cider Clearance Committee for 1977: January 5, 19; February 2, 16; March 2, 16; April 6, 20; May 11, 25; June 8, 22; July 6, 20; August 10, 24; September 7, 21; October 5, 19; November 2, 16, 30; December 14. Advertisers are asked to abide by the following rules: (1) copy of the commercial messages must be received in quadruplicate at the countinuity clearance office at least 24 hours before each committee meeting, (2) the name of the province where the commercial is to be broadcast shall be mentioned, (3) any modification to a script previously approved shall be indicated, (4) complete storyboards must be included with all television commercials. Guy Lefebvre, Secretary General to the Commission, Ottawa, December 1, 1976. 100 Metcalfe Street, Ottawa, Ontario K1A 0N2.

CRTC Announcement, July 19, 1971, Beer, Wine and Cider Advertising. The following supersedes all previous outlines on advertising copy submitted in accordance with section 10 of the Radio and Television Broadcasting Regulations. 1. The main criterion in the approval of scripts is adherance to standards of good taste. 2. Advertising shall not (a) encourage the general consumption of the product, nor should it attempt to influence non-drinkers to drink; (b) be associated with youth or youth symbols; (c) attempt to establish a certain product as a status symbol, a necessity for the enjoyment of life, or an escape from life's problems; (d) show persons engaged in any activity in which the consumption of alcohol is prohibited. 3. Copy, submitted in quadruplicate, must be received in the Commission twenty-four hours prior to the meeting. Television scripts should be submitted in storyboard form. 4. Scripts will be examined at scheduled dates, published from time to time. 5. The advertisers or their agents who so desire, may make personal representations concerning their copy when their commercials are examined.

Section 10 of the AM, FM and TV Regulations, Spirituous Liquors, Beer, Wine and Cider. 10. (1) Subject to subsection (2), no station or network operator shall broadcast any commercial message (a) advertising, directly or indirectly, any spirituous liquor or any beer, wine or cider; or (b) sponsored by or on behalf of any person whose principal business is the manufacture or sale of spirituous liquor, beer, wine or cider. (2) Where in any province the advertising of beer, wine or cider is permitted, a commercial message sponsored by a brewery, winery or cider-house may be broadcast in that province subject to the following conditions: (a) the advertising shall not be designed to promote the general use of beer, wine or cider, but this prohibition shall not be construed so as to prevent industry institutional public service or brand preference advertising; (b) no commercial message shall exceed sixty seconds in duration; (c) no device and no commercial message, other than a commercial message allowed under this subsection, shall be used to advertise, directly or indirectly, the sponsor or his product; and (d) no commercial message shall be broadcast unless it is approved by a representative of the Commission prior to broadcast. (3) For the purpose of determining whether a commercial message may be broadcast in a province pursuant to subsection (2), "cider" means cider that is considered to be an alcoholic beverage by the law of the province relating to the advertising of cider.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 1,065 and 1,487 could be made orders for returns, these returns would be tabled immediately.

Orders for Returns

[*Text*]

PROGRAMMES AVAILABLE FOR UNIVERSITIES

Question No. 1,065—**Mr. Howie:**

1. What programmes are available to assist in the construction of university buildings or for the provision of equipment, teaching aids or other such facilities?

2. What programmes are available to assist university teaching staff members to further their knowledge and teaching careers?

3. Is there any such assistance for teachers at the primary and secondary level?

Return tabled.

JOB CREATION PROJECTS

Question No. 1,487—**Mr. Kempling:**

1. How much money is being spent by the government on job-creation projects this winter?

2. How many (a) jobs (b) man-days of employment will be created?

3. What direct return of revenue will such jobs provide for the government?

4. What direct benefit to the economy will the job-creation projects provide?

5. What is the number of Canadians employed in establishments of (a) less than 10 (b) less than 25 (c) less than 50 (d) less than 100 (e) less than 200 (f) greater than 500 individuals?

6. What is the total number of persons employed in Canada?

7. What is the number of companies with annual sales (a) less than $250,000 (b) between $250,000 and $500,000 (c) between $500,000 and $1,000,000 (d) between $1,000,000 and $2,000,000 (e) between $2,000,000 and $5,000,000 (f) greater then $5,000,000?

8. What percentage of the capital borrowed by the establishments mentioned in Part 7 is used in (a) inventory (b) mortgages (c) other ways?

Return tabled.

* * *

[*English*]

STARRED QUESTION

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred question No. 2,206?

[*Text*]

*CANADIAN ARMED FORCES—NEWFOUNDLAND

Question No. 2,206—**Mr. Jones:**

1. Are any Canadian Armed Forces units located in the Province of Newfoundland and, if so, how many?

2. Has the government and/or the military given any consideration to Newfoundland's strategic location for defence purposes and for enforcement and surveillance of Canadian sovereignty and, if so (a) in what manner (b) what consideration has been given to establishing substantial military (air, army and navy) establishments in the Province?

3. Is the government and/or the military aware of announcements by the Government of France that it intends to increase air and harbour facilities on the Islands of St. Pierre and Miquelon and, if so (a) what view does the government take (b) what effect will this have on Canadian defence and fishing industry?

4. Has the government recently considered the acquisition of the Islands of St. Pierre and Miquelon from France and (a) if so, on what date was such acquisition considered (b) if not, what plans does the government have in this regard?

[Mr. Goodale.]

[*English*]

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Defence and External Affairs as follows: 1. Yes, 25.

2. (a) The strategic importance of the whole of Canada's Atlantic coast including, of course, the coast of Newfoundland for defence operations in the North Atlantic and for the protection of Canada's national maritime interests is fully recognized in Canadian and allied defence planning. The strategic value of Newfoundland, in particular, for air defence and maritime surveillance activities finds tangible expression in the regular operational use of facilities in that province for these purposes. (b) No consideration is being given at present to creating substantial new military establishments in Newfoundland since our present base facilities in the Maritimes amply meet current military requirements.

3. Yes. (a) The improvements to airport and harbour facilities in St-Pierre are matters entirely within the hands of the French authorities. In so far as access to the islands by small Canadian passenger jets would be made possible, the government welcomes the development of the airport. (b) This will have no effect on Canadian defence. In view of the interim fisheries arrangements between Canada and France which are now in place, there will be no effect on the Canadian fishing industry.

4. No. These islands are an overseas department of the Republic of France and are not for sale.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

EXCISE TAX ACT

On the order: ways and means proceedings:

May 6, 1977—Consideration of a motion to concur in a ways and means motion to amend the Excise Tax Act—The Minister of Finance.

Mr. Speaker: The hon. member for New Westminster (Mr. Leggatt) on a point of order.

Mr. Leggatt: Mr. Speaker, I had understood that Bill C-51 would be called today, but I understand there has been a change of plan on the part of the government House leader. I wanted to advise your Honour that I intend to argue the substance of Bill C-51 in regard to different subject matters in

the same bill and I shall be seeking a ruling from Your Honour in regard to severing portions of the bill. It may not be appropriate to commence the argument today, but if Your Honour wishes, I would be happy to do so. I just want to give Your Honour some warning that we intend to argue that the bill is not in appropriate form as introduced for first reading.

Before commencing second reading debate of the bill we wish to present an argument which favours dividing portions of the bill into separate pieces of legislation which will be dealt with by the House. I am particularly concerned about the firearms and wiretapping sections. I am in Your Honour's hands. If you feel it appropriate that we commence the argument today, we will; or we will be happy to do so when the bill is called.

Mr. Speaker: The difficulty about waiting until the bill is called although—had the bill been called today, naturally the matter would have had to be raised today—is that the Chair really does not have much time after the presentation of such a point of order. Or, to put it another way, if the Chair were to take the time necessary properly to study arguments raised on such a point of order on the day that the bill is presented to the House for discussion, it would certainly cause difficulties in scheduling. On the other hand, if it was not the government's intention to proceed with this matter today, perhaps it is not prepared to meet and to answer arguments in respect of such a point of order. If it is, in fact, the case that the government is prepared to meet those arguments today, or at some time before the matter is called, I certainly would prefer to hear those arguments at some time prior to the calling of the bill, in order to give the Chair some time to decide without causing the House undue inconvenience in the scheduling of business.

● (1510)

Mr. Basford: Mr. Speaker, I appreciate your remarks. I am taken a little by surprise that the government is not ready to argue that point today. We could, of course, hear from the hon. member, but we would not be ready to respond.

Mr. Baker (Grenville-Carleton): Mr. Speaker, because of the business of the house that could be called, it is clear we are not going to be dealing with this matter now, in any event. I quite understand that your honour would want to deal with it in advance of calling the bill, which is contemplated to be called on Wednesday, tomorrow being an allotted day. I would not want the argument to be called on our allotted day. If it would be agreeable to my colleagues and the minister, it might be appropriate if the Chair called the matter at eight o'clock tonight and we had the argument this evening. Then we could deal with it one way or another well in advance of the calling of the bill.

Mr. Leggatt: Mr. Speaker, the House leader of the official opposition makes a suggestion with which I have no disagreement. I would be happy to commence argument on the matter at eight o'clock, if that meets the needs of the Minister of Justice.

Mr. Basford: Mr. Speaker, that creates some problem for me in that I expect to be on an aeroplane at eight o'clock tonight.

Mr. Baker (Grenville-Carleton): We can all argue on the aeroplane.

Mr. Munro (Esquimalt-Saanich): Leave it up in the air.

Mr. Basford: Possibly someone could state my position for me, and it could be proceeded with at eight o'clock.

Mr. Speaker: I will not call the point now. The hon. member for New Westminster has given notice of his intention to raise the point. Perhaps it should be agreed that the matter will stand over for consideration to see whether some convenient time could be worked out for calling it.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a separate point of order, and I do so before we proceed with the items that have been indicated for today. I refer to Bill C-52, a bill having to do with correcting a situation with respect to unemployment insurance benefits for certain senior citizens. There has been a clear understanding, if the bill was in the terms indicated to us, that we would be prepared to put it through all stages without debate.

The bill was given first reading on Friday. It is now on the order paper for second reading. I would like to suggest that either now, or if you want to leave it until five o'clock or eight o'clock, we carry out our previous agreement of giving second reading to that bill, giving it committee of the whole stage procedure, and third reading. We stand by our undertaking that this bill can be passed through all these stages without debate.

Mr. Baker (Grenville-Carleton): Mr. Speaker, that is perfectly acceptable to us, if the government would like to call it now as the first order of government business to be proceeded with and dealt with immediately.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

* * *

UNEMPLOYMENT INSURANCE ENTITLEMENTS ADJUSTMENT ACT

MEASURE RESPECTING ENTITLEMENT TO BENEFIT

Hon. Bud Cullen (Minister of Manpower and Immigration) moved that Bill C-52, to provide for the consideration of certain unemployment insurance entitlements, be read the second time and referred to the Standing Committee on Labour, Manpower—

Mr. Knowles (Winnipeg North Centre): No; that it be referred to committee of the whole.

Mr. Speaker: I understand there is disposition to eliminate entirely that stage of the bill. If it were to be done at once, the more expeditious method would be to send it to committee of the whole and deal with the committee stage here and now.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Speaker: Is it agreed that the motion in the name of the hon. Minister of Manpower and Immigration (Mr. Cullen), seconded by Mr. MacEachen, that Bill C-52, an act to provide for the consideration of certain unemployment insurance entitlements, be now read the second time and be referred to committee of the whole?

Mr. Knowles (Winnipeg North Centre): Agreed.

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

Mr. Knowles (Winnipeg North Centre): Carried.

Mr. Speaker: I declare the motion carried. Accordingly, Bill C-52 stands referred to committee of the whole House, and I do now leave the chair.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Turner in the chair.

On clause 1—*Short title.*

Clauses 1 to 3, inclusive, agreed to.

The Deputy Chairman: Shall the title carry?

Title agreed to.

The Deputy Chairman: Shall the bill carry?

Bill carried.

The Deputy Chairman: Shall I report the bill?

Some hon. Members: Agreed.

Bill reported.

Hon. Bud Cullen (Minister of Manpower and Immigration) moved that the bill be concurred in.

Motion agreed to.

Mr. Speaker: The House, I take it, agrees, by consent, to taking third reading stage of the bill now?

Some hon. Members: Agreed.

Hon. Bud Cullen (Minister of Manpower and Immigration) moved that the bill be read the third time and do pass.

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

Mr. Speaker: Order, please. Having called, as the first order of the day the ways and means motion which is item No. 6, consideration of which was set aside in order to proceed with Bill C-52, the House will now proceed to ways and means motions.

[Mr. Knowles (Winnipeg North Centre).]

WAYS AND MEANS

EXCISE TAX ACT

Hon. Allan J. MacEachen (for the Minister of Finance) moved that a ways and means motion to amend the Excise Tax Act, laid upon the table Monday, April 18, 1977, be concurred in.

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

Motion agreed to.

Hon. Allan J. MacEachen (for the Minister of Finance) moved that a ways and means motion to amend the Excise Tax Act, laid upon the table Thursday, March 31, 1977, be concurred in.

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

Motion agreed to.

EXCISE TAX ACT (No. 2)

Hon. Allan J. MacEachen (for the Minister of Finance) moved that Bill C-54, to amend the Excise Tax Act (No. 2), be read the first time and printed.

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

Mr. Speaker: When shall the bill be read the second time? At the next sitting of the House?

Some hon. Members: Agreed.

CUSTOMS TARIFF (No. 2)

Hon. Allan J. MacEachen (for the Minister of Finance) moved that a ways and means motion to amend the Customs Tariff, laid upon the table Thursday, March 31, 1977, be concurred in.

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

Motion agreed to.

Mr. MacEachen (for the Minister of Finance) moved that Bill C-55, to amend the Customs Tariff (No. 2), be read the first time and printed.

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

Mr. Speaker: When shall the bill be read the second time? At the next sitting of the House?

Some hon. Members: Agreed.

● (1520)

CANADA PENSION PLAN

AMENDMENT TO EXTEND DEFINITIONS

Hon. Allan J. MacEachen (for the Minister of National Health and Welfare) moved that Bill C-49, to amend the Canada Pension Plan, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Paul E. McRae (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, before I initiate discussion on Bill C-49 I wish to express the minister's displeasure at not being able to be here. He has been unavoidably detained, but will be here for the debate later this evening. Therefore, I will initiate the debate.

For some time now various groups and governmental bodies have been putting forward proposals to provide Canada Pension Plan benefits for spouses who work in the home. During the course of the federal-provincial social security review a number of these proposals were examined in some depth. Our aim, and that of most of the groups to which I have just referred, was to provide, under the CPP, both recognition and financial security for spouses who work in the home while at the same time retaining the basic, compulsory earnings-related and contributory characteristics of the plan. Of course, there was a difficulty inherent in achieving these two aims. That difficulty arises because work in the home by one spouse is unpaid employment, and there are thus no earnings on which to base pension plan contributions and benefits. However, after analysing the many proposals put forward, two specific ones were identified which, I believe, will allow us to achieve in part the intended objectives while still retaining the basic nature of the plan. These are the two major amendments to the CPP which are proposed in the legislation before us today.

The first amendment will allow the splitting, upon divorce or annulment, of the CPP pension credits which were earned by both spouses during their marriage. In part, of course, the Canada Pension Plan already recognizes the economic partnership aspect of marriage by providing benefits to a surviving spouse where the death of the other spouse terminates the family's income from either employment or pension benefits. However, the protection offered by survivor benefits ceases to exist when the marriage is terminated by divorce or annulment. Thus, there is at present no further recognition of the fact that both spouses contributed to the accumulation of CPP pension credits during their marriage, either directly by virtue of their both earning credits in their own right or indirectly by one contributing through work in the home.

Of course, work in the home really does contribute to family income and, therefore, to the CPP credits accumulated by the spouse who is in the labour force. Thus, by permitting the splitting of these credits, this amendment will assure to each spouse a fair share of an asset to which they have both, in reality, contributed. Further, it will provide this recognition and some measure of financial security to the spouses and to their dependent children at no significant additional cost to the Plan.

In order for the spouses to be eligible, the marriage would have to have lasted at least three years and the spouses would have to have lived together for at least three consecutive years. This is to ensure that the financial effects of credit splitting will actually be significant. As well, the application for the split will have to be made within three years of the effective date of the divorce or annulment, otherwise the administration of the provision would be virtually impossible. Finally, the marriage will have to have been dissolved after the legislation comes into effect. The split would apply to all eligible years of the marriage as far back as 1966, but would, of course, not include any years during which one spouse was ineligible to contribute. You will recall that people are ineligible to contribute if they are under 18 or over 70 years of age or are in receipt of a retirement or disability benefit. If I may illustrate, Mr. Speaker, a typical case might involve a wife who has not worked for wages and has custody of the children when the divorce occurs. To such a person, the importance of this amendment is clear. As long as there are at least five years of credits to split, she and the children have immediate income protection against the possibility of her disability or death. Furthermore, she has at least a start on building a future retirement income.

The second major amendment we are proposing relates to contributors who stay at home or alter their regular work patterns in order to care for young children. Under current arrangements, any periods of low or zero earnings which result from their temporarily dropping out of the labour force will likely affect both eligibility for all types of benefits and the actual amount of those benefits. At present, the amount of CPP earnings-related benefits depends upon the career earnings of the contributor averaged over all the years that he or she could have contributed to the plan, while payment of survivor or disability benefits depends upon payment of contributions for a minimum length of time and also on the recency with which contributions were paid.

Currently, all contributors are able to drop out of the calculation of their average career earnings periods of low or zero earnings adding up to 15 percent of their total contributory period. This provision is designed to protect potential CPP benefits against the effects of periods of unemployment, illness, extended education or voluntary early retirement. At most, seven years of low earnings may currently be dropped out of the maximum contributory period of 47 years.

This generalized drop-out does not recognize the difficulties faced by those who take responsibility for the care and upbringing of the next generation of Canadians. When they are active in the labour force, these contributors face all the problems for which the 15 per cent drop-out provision was created, but in addition they must face the possibility of a reduction, or perhaps even the total loss of their CPP benefits as a result of their remaining at home to care for young children. The special drop-out provision proposed in the legislation currently before us would ensure that a contributor who

remains at home to care for young children will not be penalized for that period during which he or she has low or zero earnings. The provision would protect eligibility for CPP benefits which the contributor had earned through contributions before, during and after the period devoted to raising young children. Again, this provision will provide a measure of real economic recognition and financial security to work in the home, and it will do so without compromising the basic contributory earnings-related structure of the plan.

The child-rearing drop-out would be applied to all periods back to 1966 in which a person had a child under age seven in his or her care and was receiving family allowance benefits in respect of that child. Any earnings during the period which will help to fulfil basic contributory requirements for benefits, or which serve to raise career average earnings, would be retained in the calculation of CPP benefits, but periods of zero earnings or of earnings below the person's career average would be dropped from the calculation of benefit amount. As the family allowance benefit is generally paid to the mother, there will have to be a special provision permitting an exception to this rule, and regulations will be made prescribing the circumstances under which the special drop-out could be assigned to the father if he is, in fact, looking after the child or children.

I should emphasize that the minimum contributory requirements of the current legislation will be retained, even with the special drop-out provisions. For example, at least 120 months of contributions will still be required in order to receive a full CPP retirement pension, regardless of how many years may have been spent at home caring for young children.

I should also point out to hon. members that the proposed drop-out provision is expected to lead to only a small cost increase to the CPP. It is estimated that as a result of the special drop-out provision, the future long-run contribution rate would rise by about one-third of 1 percentage point. Finally, I should make clear that the special drop-out provision will be available to those currently receiving CPP benefits as well as for new beneficiaries. Thus, where the provision would serve to increase the amount of a benefit currently being received, that benefit will be recalculated and the revised amount paid.

As most members are probably aware, amendments of this nature cannot be implemented without the consent of two-thirds of the provinces containing two-thirds of the Canadian population. Members may also be aware that the province of Ontario has expressed its intention to withhold consent on the drop-out amendment. Thus, if Ontario holds fast to its position, then this amendment, even though passed through this parliament, cannot be proclaimed in force.

● (1530)

Needless to say, I consider this stance by the government of our largest province most unfortunate. The eight other provinces have signified their firm agreement, and I am informed that the province of Quebec plans to move ahead with a parallel provision in the Quebec Pension Plan. I can assure the House that I will do all I can to convince the Ontario government of the wisdom of agreeing to these provisions.

Many hon. members will be aware that the two major amendments I have proposed were not the only courses of action which were considered. Two others which were considered at some length were voluntary CPP contributions by spouses who work at home, and the splitting of CPP credits between spouses during marriage. There was much discussion of both these proposals and much interest in them, but both were rejected by most of the people who eventually expressed firm points of view.

With regard to the first—voluntary contributions—both the CPP Advisory Committee and the Advisory Council on the Status of Women felt that the proposal should be rejected. It was felt that voluntary contributions would benefit most the relatively well-to-do who could afford the additional contributions. Also, those who are older would likely opt to contribute as the early maturity of the plan tends to heavily subsidize older contributors. Such a provision would be unfair to wage-earners whose earnings are less than the maximum; they would be unable to contribute at the maximum rate, while house spouses contributing voluntarily could cover themselves at the maximum rate. Finally, there would be a number of difficult administrative questions to resolve. Who would be eligible—legally married people or common-law spouses? Could they opt in and out of the plan at will? How would we treat house spouses with part-time earnings?

The second of these proposals, the splitting of pension credits during marriage, suffers from the adverse effects it would have on benefit levels for a family unit which is not dissolved. For a family which remains intact, should the major wage-earner die, become disabled or retire some years ahead of the spouse, the family unit would not only lose the employment earnings but would also suffer a further hardship in that the CPP benefits would be based upon only half the CPP pension credits. Splitting credits on marriage breakdown, on the other hand, would provide financial security and protection at a time when two family units have been created from one, and the potential or actual reduction in benefits for one unit enables the creation of potential or actual benefits for the other where no benefits might otherwise be available. Splitting pension credits during marriage is also administratively very complex since the monitoring and verification of all contributors with respect to their marital status would have to be conducted on a yearly basis. Finally, the concept of splitting pension credits on marriage dissolution was preferred because it does not alter the basic contributory, wage-related characteristics of the plan.

Mr. Speaker, thus far I have concentrated my remarks on those amendments to the CPP which serve to benefit spouses who work in the home. But I would also like to draw your attention to a number of other amendments included in this bill, some of which will be of importance to a significant number of people. The first of these amendments relates to the retroactive payment of retirement benefits to those contributors between 65 and 70 years of age who, for one reason or

another, delay application for their benefit. To understand the reasons for this change it is necessary to look in some detail at a couple of the provisions of the CPP. First, contributors, upon reaching age 65, are entitled to defer their application for a CPP retirement pension in order to continue to contribute and possibly enlarge their CPP pension. In the first ten years of the plan it was sometimes very difficult to decide whether to use this provision or not. On the one hand the person would not be receiving benefits, but on the other he or she might greatly improve the benefits finally received since both the average earnings and the percentage of the possible full pension could increase greatly over a fairly short period. But over-all, a large number of Canadians did elect to defer their benefits. Secondly, up to 1975 pensioners aged 65 to 70 had to be retired before they could apply for a CPP retirement pension. Even after the pension was in pay these pensioners were subject to an earnings test; that is, the pension was reduced or abated altogether if they were in receipt of employment earnings greater than certain specified amounts. Therefore, the amount of the pension payable could, and sometimes did, vary.

In the decade since the CPP came into being, however, a number of changes have taken place to alter the circumstances cited above. Effective January 1, 1975, the CPP earnings tests applicable to retirement pensioners aged 65 to 70 were repealed. Also, the plan had been in existence for a full decade as of 1976, and henceforth the increase in benefits which could be realized by a pensioner by delaying application for benefits after age 65 was not often as dramatic as before. Increases in the amount of benefits can still, in some cases, be realized by a deferment, especially if a contributor has been subject to periods of very low, or zero earnings earlier in the contributory period; but the number of Canadians who can profit by this arrangement is decreasing.

It is, thus, a natural result of the maturing of the plan that most late applications now result from simple oversight or circumstances beyond the individual's control. The resultant loss of one or more months' benefits has been the cause of concern and sometimes financial hardship to persons who might otherwise have been eligible for those benefits. We would like to correct any hardships this situation brings. Thus, the amendment would allow for the payment of up to 12 months' retroactive retirement pension including periods when the contributor was under age 70. This retroactivity would extend only as far back as the date on which this new legislation takes effect. Moreover, the retroactivity would not extend into periods during which a person was contributing to the plan and so possibly enhancing his or her eventual benefit entitlement. The net result should be to ameliorate the very considerable hardship which some pensioners who had fully earned their pensions faced as a result of quite innocent errors on their part.

A second minor amendment indirectly related to the one just mentioned refers to applications for CPP benefits made in respect of potential CPP beneficiaries who died without applying for their benefits. Up to now the CPP legislation has only permitted benefit applications to be made by or on behalf of living persons. In some cases, however, through lack of knowledge or other circumstances beyond a person's control, potential eligibility for CPP benefits is only discovered after the person has died. In these circumstances, any survivor or the estate is denied the entitlement to normal retroactive benefits which would have been received had the application been submitted earlier. This technical amendment will permit any normal retroactive benefits to be applied for and paid in respect of a deceased person, provided the other conditions of eligibility are met.

The next of these amendments would have the effect of making more benefits available to some dependents of deceased or disabled contributors. Under the current legislation, the amount of orphans' and disabled contributors' children's benefits payable per child is reduced to half the full rate for the fifth and subsequent child. Under current provisions, benefits payable to all the children of a contributor are totalled and then divided equally among all of them. The result is that children in large families receive less support per child from the CPP than those in smaller families. The proposed amendment would rectify this problem. Full benefits would be paid to, or on behalf of, each dependent child of a deceased or disabled CPP contributor regardless of the number of dependent children which are eligible for benefits.

Another amendment is of a more administrative nature. It does, however, relate to a topic which is of great concern and has tremendous potential impact for a large number of CPP contributors; that is, international social security agreements. This amendment would enhance the flexibility of the authority which currently is contained in the CPP and would enable agreements to be signed with other nations with respect to the plan. As hon. members will no doubt realize, international social security agreements would directly benefit a very large number of people who have chosen to immigrate to Canada and make their homes here. Often, these immigrants have spent a considerable portion of their working careers in other countries and have, therefore, built up an entitlement to social security benefits from foreign programs. However, these foreign programs may place restrictions or limitations on the nature or level of benefits which they pay to persons living abroad.

● (1540)

Through the negotiation of international social security agreements, the social security protection earned by persons under programs in their countries of origin can be made available to them in Canada. In recent years we have had preliminary discussions with countries such as France, Italy, the United Kingdom and the United States, seeking agreements in order to provide coverage for the large number of immigrants to Canada from those nations. A major roadblock to the fruition of these negotiations was our inability to include old age security, the foundation of our retirement income system, in such discussions. With the passage of the recent amendments to the Old Age Security Act we may now proceed with the development of such agreements.

I should mention here that the minister has just come back from a series of discussions with his colleagues in France, the United Kingdom, the United States and Poland. France, the United Kingdom and the U.S. expressed a great deal of interest in moving ahead to finalize social security agreements with Canada on an urgent basis. Our officials will meet with representatives from the U.S. next week, with officials of the U.K. in early July, and with French officials early this fall. Also, Poland has agreed to study the possibility of a social security agreement with Canada. Our officials will also be meeting with Italian representatives in July for technical discussions on the possible features of an agreement.

In order to further enhance our ability to bargain effectively with these other countries, we are seeking a minor adjustment to the enabling provisions for CPP agreements. This amendment, which runs parallel to the recent OAS legislation which I just mentioned, would permit the conclusion of agreements in which the total amount of the combined benefit payable under an international social security agreement is limited to a specified maximum amount. However, full protection is included to guarantee that this limitation will always provide total benefits which are at least as large as the CPP benefit which would have been payable in the absence of an agreement.

Two final amendments of a minor nature are also included in this bill. One would provide regulation-making powers to permit the withholding, if necessary, of CPP benefits to help in obtaining required information from the beneficiary. It is hoped that these powers will make it possible to establish, in case of doubt, whether beneficiaries are entitled to the benefits they are receiving. Where the documentation received confirms eligiblity for benefits, the benefit payments would be reinstated with full retroactivity.

The second involves compensation for members of the Canada Pension Plan advisory committee. This committee has, in the ten years it has been in existence, proved to be an invaluable source of advice, information and liaison for the minister and his predecessors as ministers responsible for the CPP. The CPP advisory committee is a group of up to 16 dedicated citizens representing employees, employers, the self-employed and the general public, who examine a wide range of topics relating to the role and operation of the Canada Pension Plan. I feel certain that this group of men and women rank amongst the most active federal advisory committees. Their thoughtful advice and timely reports have served to represent the interests of the Canadian people in the development of the CPP. Indeed, the minister has been so impressed with the quality of their advice and the importance of the issues they have addressed that over the last few years he has thought it useful to publish most of their reports in order that others might benefit from their work. The proposed amendment would permit the payment of the regular per diem allowance to members for those days which they spend on advisory committee work, in addition to time spent at the formal meetings for which they already receive some compensation. By virtue of this provision, I hope that some of the financial burden will be defrayed for members who spend so much of their valuable time and energy on the work of the committee.

In conclusion, these amendments will serve to improve the effectiveness of the CPP in its role as a provider of income security for the retired, the disabled and the families of deceased contributors. They represent a major step forward in recognizing the value and importance of work in the home.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I am extremely disturbed and surprised that the minister is not in attendance at the time of second reading of this extremely important bill dealing with amendments to the Canada Pension Plan. He should be here, no matter how impressed we are with the amendments and no matter how much commendation the bill deserves.

This bill attempts to give some recognition to the role of housewives, but there is another important factor. I notice that the parliamentary secretary did not take any time to indicate to this House, to the people of Canada and particularly to the people of the province of Ontario, the stand of that province with respect to this bill. The parliamentary secretary gave no indication whatsoever of the reasons behind the hesitation of the province of Ontario in giving blanket approval at this time. The parliamentary secretary neglected to say that there would be certain hardships and inequities as a result of the drop-out provisions as they affect women and that there would be subsidization by the poor in favour of the rich. He did not mention that matter, and I will get into it a little later.

Notwithstanding that, Ontario's approach is commendable. The parliamentary secretary should have at least mentioned that, and he should have mentioned the concern of the province of Ontario with respect to the whole question of the funding of pension plans. It seems to me that the parliamentary secretary was playing politics—

An hon. Member: Never.

Mr. Alexander: —with a very important piece of legislation.

An hon. Member: Oh!

Mr. Alexander: I hear an hon. member opposite who does not know what the bill is about because he has not read it.

The Acting Speaker (Mr. Turner): Would the hon. member for Hamilton West (Mr. Alexander) please address the Chair?

Mr. Alexander: I was speaking through you, sir, in order to chastise that hon. member.

Mr. Blais: Sit down when Mr. Speaker stands up.

Mr. Alexander: The parliamentary secretary said nothing about the concern which is being registered by many Canadians regarding pension plans, and that concern was also registered by the province of Ontario. Another concern of the province of Ontario which the parliamentary secretary neglected to mention is the use of pension plan funds. They are directed to provinces which use them for their own capital

works. Meanwhile, the private sector is crying for money. Those are matters we will have to consider extremely carefully. I think the parliamentary secretary was ill-advised to mention the province of Ontario without spelling out why that province wants to think about this matter. I thought I should put that on the record so the parliamentary secretary would know that he cannot get away with murder in this House. I see him smiling over there, so I know I am right.

The Postmaster General (Mr. Blais) intervened a moment ago. All I can tell him is that mail between Toronto and Hamilton takes seven days. We expect him to do a much better job than he is doing now. Mail takes five or six days between Toronto and Ottawa. No matter how much the minister praises the efficiency of the Post Office, constituents—

The Acting Speaker (Mr. Turner): Order, please. I suggest that the hon. member should get back to the bill under discussion, Bill C-49.

Some hon. Members: Hear, hear!

Mr. Alexander: Well, I think my point is well taken. The Postmaster General will think twice before he moves in again.

The question of including housewives—and that is what this bill is all about, notwithstanding that it uses the word "spouse"—in the Canada Pension Plan was considered last year during meetings of the federal minister and provincial welfare ministers. The intent was to give recognition to work in the home and to provide a measure of financial security and independence to a spouse who works at home. Two approaches were discussed. It was proposed that pension credits earned by spouses during marriage be divided equally between spouses, upon marriage dissolution, which is to be limited to legal marriages terminated by divorce or annulment. In future they would be given some entitlement in terms of equity as a result of their playing a meaningful role in the home. This is in keeping with the belief that both spouses have an equal right to the security being built up by either of them for the future, since each contributes equally but differently.

● (1550)

Another proposal considered by the ministers would permit those contributors who leave the labour force to raise children to drop months of low or zero earnings from the calculation of their average lifetime earnings for benefit purposes. This hopes to ensure that the parent who remains at home to raise children is not penalized for the period of low or no earnings in the calculation of pension benefits, and protects the pension credit earned before or after the period devoted to children.

The drop-out provision would apply to periods of time spent at home with children under seven years of age. The parent would have greater labour market flexibility after the children entered school. This proposal attempts to give economic recognition to work at home and partial recognition to the disadvantages women traditionally experience in the labour market. There are problems, however, with respect to the drop-out provision, which I will dwell on at some length shortly.

Bill C-49 brings these two proposals which were discussed by the federal and provincial ministers of health into focus through major amendments to the Canada Pension Plan. In addition, the bill includes a number of housekeeping amendments. The most important of these would allow up to one year's retroactive payment of retirement benefits to contributors between 65 and 70 years of age and who file late applications for benefits. At the present time, retirement benefits can only be paid after age 70.

There are other important amendments which the parliamentary secretary has mentioned that are more or less in the housekeeping area. One is the provision for benefit application to be made on the behalf of a deceased person or persons. This is certainly a step in the right direction. We have no quarrel, either, with equalization of children's benefits in respect of all children, regardless of family size. We want to look very carefully at the payment of a per diem allowance to members of the Canada Pension Plan advisory committee. We want to know why, and how much. When you start playing around with the public purse with respect to advisory committees, it is important to know why, and how much is involved.

There is an extension of the authority to enter into international social security agreements. As you know, Mr. Speaker, this amendment is necessary because we have just brought in amendments to the Old Age Security Act which determine new residency requirements. Just as important, the bill gave authority to enter into reciprocal agreements regarding portability of pensions between Great Britain and Canada, the United States and Canada, France and Canada, portions of the Third World, and so forth. Of course, the minister has been on a trip to explore the possibility of these agreements coming into full force. I understand hundreds of thousands of people are waiting for these agreements and for proclamation of the bill dealing with new residency requirements and reciprocal agreements. I understand the minister wants this amendment to come into force by July 1, and hopes by that time he will have reciprocal agreements ready to be executed by Canada and the countries involved.

Notwithstanding the good intentions there may be regarding the splitting of Canada Pension Plan credits upon marriage breakdown, there are, of course, other implications and problems which will have to be worked out. We intend to pursue this question to make sure we are moving in the right direction. In a case where one partner has been receiving a CPP, disability or retirement pension, the retroactive splitting upon breakdown will alter the calculation of the recipient's benefit—to their disadvantage. Splitting upon breakdown may come into conflict with the provision that a person cannot be both a recipient and a contributor to a retirement or disability fund at the same time. This matter will require review in so far as it affects disability pensions and the definition of "disability" under the plan.

For low income families, retroactive splitting upon breakdown may result in loss of coverage that has been paid for,

because the level of each partner after splitting may be below the plan's basic exemption for a year. Retroactivity may involve administratively complex calculations since potentially very long periods may have to be recalculated.

What would be the implications for private pension plans which are complementary to the CPP? The definition of "marriage dissolution" is restricted to legally terminated marriages, which excludes people who have been deserted, are separated or are living common-law. Mr. Speaker, under the spouse's allowance provisions we ran into a similar difficulty where no recognition was given to widows, widowers, spinsters and bachelors. All hell broke loose as a result of that. We have the same sort of problem here, where although some recognition is going to be given to the work done in the home, the government has again neglected the total question. In my view, it demonstrates a callous disregard of those people who for one reason or another find themselves deserted or separated or, if they are living common-law, there is no recognition of splitting. I think we must look very closely at that question. Divorce is the remedy of the well-to-do, not the poor. Family courts remain the principal source of legal assistance for the poor. Splitting upon legal breakdown will further burden these facilities.

Administratively some procedure for informing the authorities of the breakdown will have to be developed. As well, it will have to be determined whether the courts will have the responsibility of splitting the benefits in cases where divorce occurs after benefits are already being collected by one of the partners, or if the department will handle this automatically. There is the whole question of who gets what, how much, why, and when. On the minister being advised of the need for splitting, this will all be decided by way of regulation. But this is a pretty hard pill to swallow, because it can be extremely complicated. Also, the parliamentary secretary has already expressed concern about how it would work. Another problem is the whole concept of automatic splitting upon breakdown and intrusion by the government on a person's freedom to deal with his assets as he pleases.

Let me now deal with the effects of splitting CPP pension credits on CPP benefit levels. With one-wage earner families, the future retirement pension of the wage earner would decrease, while a retirement pension would become payable to the spouse who worked at home when she or he reached the age of 65 years. However, the length of the marriage would also affect the two retirement pensions. Generally, the longer the marriage lasted, the greater would be the effects on the two retirement pensions. Those in receipt of a CPP pension at the time of breakdown would receive a lower pension after the calculation and might also have to repay past overpayments. In two-wage earner families, the effects would be similar to the one-wage earner family, but smaller in magnitude since both partners would be earning their own pension credits. The result would be an averaging.

What about CPP survivors under age 65 years? For survivors' benefits, the splitting of pension credits would provide CPP protection for the new family unit of the previously non-working partner. At the same time, the protection of the new family unit of the working partner would be decreased. Where both spouses work outside of the home there will be little effect; the magnitude of the effect would depend upon the differences in the earnings levels and work histories of the two spouses.

● (1600)

I now touch on disability benefits. The effects are similar to those pertaining to survivor benefits, except that the magnitude might be larger since disabled contributors' pensions have a larger earnings-related component. In the case of one spouse receiving disability payments at the time of marriage breakdown, a recalculation of the amount of disability pension would be necessary in order to reflect the change in the pension credit record. This could lead to a reduction in benefits, and hence a situation of overpayment in the past. If a disability pension is potentially receivable by a spouse at home, then upon marriage breakdown the spouse at home will receive half the credits and could become eligible for the disability pension. This is possible because one need only contribute to CPP for five years in order to become eligible. This represents an inequity vis-à-vis single contributors who must work for the necessary length of time to become eligible for benefits.

I said that we must consider the implications of the drop-out provisions. First, if we impute contributions to the CPP fund during years when no contributions are made, the welfare aspects of the plan are strengthened. This, I suggest, represents a departure from the basic insurance-related philosophy of the Canada Pension Plan and is not in keeping with the original principle of the plan which was established as a contributory plan based on the number of years actually worked. According to the Minister of National Health and Welfare (Mr. Lalonde) in a brief submitted to the Standing Committee on Health, Welfare and Social Affairs on April 4, 1974, the basic orientation has been to the wage earner. Consequently, the determining of the key factors of the plan, namely, coverage, contributions and benefits, had been tied to the earnings of the participant. This was considered a fair and equitable basis for allocating costs between employees and employers. This aspect ought to be investigated, I suggest. We must determine if there has been a departure from the principles set out in 1974.

Second, I point out that the drop-out provisions do not extend coverage or protection to a woman at home if she has never worked, if she has worked only a few years, or if she has had to leave the labour force in order to care for a disabled child or parent. I shall elaborate on this point in due course. The drop-out provisions apparently do not apply to women unless they leave the labour force to take care of a disabled child or parent.

I suggest that the provisions of this part of the bill also apply to men. One could substitute "man" for "woman" wherever applicable. The drop-out clause provides a subsidy without contribution and as such is a move toward social assistance and away from the insurance intent of the Canada Pension

Plan. In this light, why do mothers who remain at home to care for handicapped children or disabled parents deserve any less subsidy? If the precedent or principle of social assistance is established in this area, how is it justifiable, philosophically, to limit the subsidy to housewives who remain at home to care for children and then return to the work force? In other words, the approach whereby the bill recognizes the needs of some, but ignores those of others, is questionable.

I suggest that inequity is created between those who can afford to drop out and those who cannot, that is, between those with different incomes, those who have never worked, and those who do work. The bill creates inequities among women. It does not prevent more favourable treatment being afforded a contributor whose earnings are coincidentally low when children are young. I am thinking, for example, of students or inexperienced workers whose incomes are low. This provision is unrelated to the fact that they have young children at home.

There exists a deeper, basic issue, that of CPP funding and its role in provincial financing. Mr. Speaker, I notice that the parliamentary secretary said nothing about funding. We are concerned about the actuarial soundness of the Canada Pension Plan and any other pension plan in force in this country. At present, the President of the Treasury Board (Mr. Andras) is involved in the indexation of civil service pensions. I understand a pension board is looking into the efficacy and actuarial soundness of the Canada Pension Plan. But the parliamentary secretary mentioned not one word about this.

Mr. Ellis: The reason is simple: he does not know.

Mr. Alexander: Quebec government actuaries claim the drop-out provision will increase total pension pay-out by less than 4 per cent over the next 50 years, but this estimate may be based on the erroneous assumption that the behaviour pattern of women will not change with the institution of the provision. The same argument may apply to certain men. It is difficult to believe that the benefit available through the drop-out provision pay-outs of the CPP will not be taken advantage of by many men and women.

Before I deal with the funding aspect of the plan, let me review some further problems concerning the drop-out provision. It is alleged that this bill will be of benefit to women. Perhaps that is correct. The spouse's drop-out provisions may appear attractive to some contributors. Those with labour force attachments who remain in the home while the children are young would receive higher pensions than is now the case. In addition, women who have sufficient time in the work force before the child-rearing period would have their CPP coverage continue against the contingencies of disability and death. For example, three years are required for survivor's benefit coverage, and five years for disability. However, a number of concerns exist with regard to the special drop-out provisions which suggest that these provisions should be studied further. There are three broad sets of concerns regarding the proposal in its modified form.

First, it appears to create inequities among contributors. Second, it appears to create anomalies among contributors and certain other groups. These could be used to lever the CPP into increasingly broader subsidies. Third, it appears to weaken the insurance-related basis of the CPP and increase inherent subsidies—that being the welfare aspect of the program—at a time when its underfunding is of increasing concern and general problems of pension and pension funding are the subject of mounting public concern.

The net effect of the proposal would be to provide a subsidy to those women who meet the eligibility criteria and who have little or no earnings while children are young. The interesting point about this subsidy is that it is not constant; that is to say, the value of the subsidy depends upon two variables. They are, first, the number of years out of the labour force a woman could be entitled to by reason of young children, and either chooses to and/or is able to take by reason of her family's financial circumstances, and, second, the women's average lifetime earnings, that is to say, in those years since 1966 which are not affected by either drop-out provision.

The committee will need to examine the question of the number of years out of the labour force. It appears that the aggregate value of the subsidy depends, first, on the amount of time to which a woman would be entitled to drop out relative to the amount of time she chooses to and/or is able to take. A mother of three children spaced four years apart and who is a member of a family which can afford to forgo her earnings while the children are young could be entitled to 15 years to care for her children. She could choose to exercise her full entitlement, or subsidy, and remain in the home throughout.

In contrast, a similar woman from a low income family might have no real choice in this matter; that is, she may be required to return to work as quickly as possible owing to economic necessity. Consequently, she might take only three years in the home, even though she would also be legally entitled to the full 15 years. I say that we must be concerned about the effects of this bill on women since it is intended to give recognition to the work of women in the home.

● (1610)

Going back to my original premise, I would say this: the first woman will receive the full value of the 15-year drop-out provision without any contribution being required. The second woman would only be able to take advantage of the benefits from 3 of her potential 15 years of eligible child-rearing. In addition, she would be required to make compulsory contributions during 12 of her 15 eligible years. The value of any subsidy when the same number of years may be dropped out varies with the average lifetime earnings of the mothers involved. The subsidy to a woman who earns consistently at or above the maximum insurable earnings would therefore be twice that received by a woman earning at half that level.

Neither woman is required to make any contribution for the years dropped out. However, the value of their subsidies varies with their average lifetime earnings levels, although both may make no contribution during their child-rearing years. This occurs because the imputed value of the drop-out provision is based upon her actual contributions in years which are not

affected by the drop-out provision. Thus, it parallels the basic design of the CPP. This technical parallelism results in the assignment of differential CPP values and benefits to the child-raising function. Thus, the value of the CPP subsidy associated with raising a "low income" child is less than that attributed to the raising of a "high income" child. This point is interesting in relation to the concept, if not the technical design, of the CPP, a "contributory" social insurance program. No contributions are required for spouses' drop-out years regardless of the woman's income level. However, the value of the subsidy associated with those years varies with the woman's average lifetime earnings.

Given the preceding points, it is apparent that the implicit subsidy in the spouses' drop-out provision is of greatest potential value to women with higher earnings levels and women who, because of family circumstances, are able to exercise their full entitlement. Conversely, the proposal offers the lowest potential level of subsidy to women with low earnings levels and women who are restricted in their ability to use their entitlement. This raises a broad social policy issue. Is it equitable or appropriate to provide a special provision for some mothers which is not equally accessible to all of those who are eligible and assigns different values to the child-rearing function? I ask this question because I believe people should know what they are getting into if this bill is passed.

There is also the problem of compulsory contributions. The woman who stays in the home would receive pension credits, although no contribution would be required. On the other hand, the woman who must work is not only required to carry the dual role of homemaker and wage earner, but must also pay a compulsory tax by way of CPP contributions in order to obtain her pension credits. The woman who can afford to stay home receives the subsidies, without any requirement to contribute, regardless of her economic status. The mother who cannot stay at home is required to make compulsory contributions for the years which could otherwise be dropped out without regard to her ability to pay.

The preceding discussion has outlined apparent inequities created among contributors. By granting pension credits, for the first time, to one specific group of non-contributors, inequities are created between them and other groups of non-contributors who perform other socially valuable but unpaid services. Mothers who are never able to enter the labour market receive no credits for their child-rearing years. Examples of other persons would be mothers who remain in the home to care for older disabled or retarded children, and women who leave the work force to care for an ailing parent or spouse. I mentioned this before, and I shall do so again. Mothers who remain in the home to care for older disabled or retarded children get nothing, and women who leave the work force to care for an ailing parent or spouse get nothing. So what looks fine on the surface does, nevertheless, raise a number of questions. We shall have to ask those questions and get them answered, because the more I read about this matter, the more it appears to be unfair and discriminatory. I hope answers will be given when the bill reaches committee stage. As this differential treatment is extremely difficult to justify in terms of social policy, leverage is created by which extension of CPP coverage to the various other groups of non-contributors would be created.

I must pay some attention to the funding problem which will arise as a result of any amendment to the Canada Pension Plan. We do not know what this is going to cost. The minister's draft papers spoke of a minimal cost. Surely that is not good enough at a time when all segments of society are registering concern about the funding of pensions. Current federal estimates indicate that in the medium run the cost of the spouses' drop-out provision will increase CPP expenditures by approximately 4 per cent, assuming no behavioural changes occur. However, if the anomalies which are created by the proposal lead to further extension of subsidized coverage, this figure could increase substantially.

There is increasing concern regarding the basic issue of pension funding in general and that of the CPP in particular. The CPP is not actuarially sound at present, but is currently operating on a modified "pay as you go" basis. The plan is predicated on intergenerational transfers. Current contributions are, in effect, paying for the pensions of those who are now retired. The degree of individual subsidization to all pensioners will decrease over time as the plan matures, other things being equal. That is, although current retirees receive extremely high rates of retirement subsidies, future retirees will receive lower subsidies. However, the plan will always be based on intergenerational transfers, and therefore the costs of any modifications are passed on to future generations. CPP is underfunded at present. Unless the current combined contribution rate of 3.6 per cent is increased, the CPP fund will be exhausted between 1995 and 2000. Further increases will also be necessary. It is estimated that with no changes to the present CPP, a combined contribution rate of approximately 8 per cent will be required by 2025 on a "pay as you go" basis.

The question of the future orientation of CPP and its funding must ultimately be faced. There is a limit to the financial burden which can be placed on future generations. It has long been obvious that the present rate of contribution to CPP will not cover the cost of maintaining the increasing number of retired people who will require pensions. The way the present plan is set up, we are leaving a crushing load as a legacy to our grandchildren in terms of vastly increased taxes. As Ontario treasurer Darcy McKeough pointed out:

> In the first decades of the next century there will be more retired people relative to people employed in the labour pool than at any time in Canada's history. By guaranteeing the real value of retirement incomes for these people without appropriate funding, governments in Canada have subjected themselves to future liabilities which are staggering.

Geoffrey Calvert, author of the book "Pensions and Survival: the coming crisis of money and retirement", states: "We are passing the buck to future generations."

Mr. Hamilton (Qu'Appelle-Moose Mountain): That is why seven of us did not vote for it.

Mr. Alexander: As the Canada Pension Plan is now set up, it is estimated that by 1989-90, $6,750 million will be needed to cover pensions. Within a very few years this rising tide of benefit outflows will have overtaken the inflow of revenue from the 3.6 per cent tax, and then the moment of truth will arrive. Calvert further states:

With the radical increase in the ratio of pensioners to workers clearly before us, it would seem questionable for Canada to commit itself to vast and liberal programs of support for its older people if these would result only in an overbalancing and collapse of the economy of the future.

Those are strong words, Mr. Speaker. In other words, what he is saying is that if we do not watch out we can be pricing ourselves out of the market and could, in short, go bankrupt. As Calvert says, it is to the early part of the next century that we must look, when today's young people will be approaching and entering their retirement years. It is in that period, a good deal less than 50 years from now, that the real consequences of decisions made today will begin to become all too apparent, and most of us here today will not be present to see them. It can be stated that by the 1990s the income from the Canada Pension Plan will drop sharply, and it will continue to fall if it continues on its present partially funded course. Calvert also warns that the CPP reserves outlook is, in short, quite ghastly; after rising for a few more years, if no changes are made these temporary reserve funds will top out, then plunge into liquidation. As Dr. John Grant says:

● (1620)

Legislative initiatives which would sharply increase the benefits payable under the Canada Pension Plan could, for instance, have an effect of this kind which could wreak havoc in Canada's financial markets.

I should like to bring to the attention of the House another questionable feature about the Canada Pension Plan, namely, its weak performance as a source of investment capital which this country badly needs. By 1981-85 we will have to raise some $26 billion. Private pensions are an important source of this necessary capital. It is estimated that from 70 per cent to 80 per cent of all new capital needed by Canada and raised by bond and stock issues is expected to be furnished by private pension plans. Unfortunately, that is not the case with the Canada Pension Plan, which serves mainly as a source of low-cost funding for provincial governments. This is why I want to express to the parliamentary secretary the concern registered by provincial governments, particularly by the province of Ontario, in regard to where pension plan funds are being invested.

Let me read a portion of an article published in the *Globe and Mail* of January 21, 1977. I hear a voice in the wilderness over there saying something, Mr. Speaker. If the parliamentary secretary wants to stand up and make a contribution, I will sit down. In the meantime, we are debating a very important bill and I am expressing our concern at the funding of this plan. Let me direct my hon. friend's attention to the article in the *Globe and Mail* which is headed "Thoughts for a rainy day":

The Canada Pension Plan is supposed to provide retired workers with security. Instead, in its present form, it could dupe them into insecurity, rob their children and reduce the ability of Canada to produce the goods and services that are needed by all Canadians.

I hope that the Canada pension conference, which is supposed to be directing its attention to these problems and coming up with the answers, is apprised of the situation. But how do we know? I have not heard the parliamentary secretary say anything at all about the Canada pension conference. They are the experts on pensions, yet he completely ignored them. Notwithstanding what my hon. friend across the way has said, let me continue with this article:

—the fund that has been collected under the Canada Pension Plan's half-funding system "is completely invested in the public sector". The federal government collects it. What isn't immediately needed for pensions is loaned to the provinces at rates related to long-term federal bond rates.

In this regard Ontario has averaged $324 million a year for the past ten years. This is what Darcy McKeough was pointing out.

This money is then spent by the government, often in building hospitals, schools and universities. It is not invested to earn a return.

All provinces are included in this regard, Mr. Speaker.

Your CPP money, in other words, is not working for you.

That means you and me, Mr. Speaker; it is not working for us. The provinces take it and invest it in the public sector, yet the private sector is screaming for investment dollars.

It is not being loaned at the going rate to earn more money to keep your premiums down. And, just as important, it is not being invested in resource industries or factories to provide more jobs, increase Canada's production and give all Canadians a better standard of living. Yet Canada desperately needs investment capital—

Do you get the point, Mr. Speaker? I am sure you do. We are not getting value for our money, and it is time there was a complete review. But what does the parliamentary secretary say? He conveniently ignores the whole question of funding. I have a great deal of respect for the parliamentary secretary, and I know he has to do what he is told. I hope that when I become a parliamentary secretary, when we take over as a result of the ineptitude and mismanagement exhibited during this government's stewardship, I will be able to do a little better than the parliamentary secretary. However, I am getting off the track, Mr. Speaker, and I know you want to hear our concerns regarding the Canada Pension Plan.

There also exist other areas of concern. All income security programs should be carefully scrutinized in regard to who receives benefits and who pays. However, even if these concerns did not exist, there would still be two fundamental questions in respect to this proposal, namely, the drop-out proposal. The first concern is the role of the CPP. Is the CPP, a contributory, earnings related social insurance program, an appropriate mechanism for providing some financial independence for the spouse in the home? We will have to answer that question, and whether the drop-out provision as related to the Canada Pension Plan is the proper mechanism to recognize the financial independence of spouses in the home.

The second question relates to the orientation of the CPP and the balance between its social aspects and its insurance principles. Is it appropriate to introduce a proposal which

represents a further departure from the insurance aspects of the program and sets a precedent by which the CPP can be levered into further subsidies, before resolving the future orientation of the plan? That is a very important question which all members of parliament, accepting their responsibilities in this regard, will have to ask themselves. Is it appropriate to introduce a proposal, or proposals—and I would say proposals—before resolving the future orientation of the CPP? It should be noted, as well, that with the exception of certain unique cases and some foster mothers the women who would benefit from this provision under the drop-out proposal will not be retiring for at least 15 years. As the proposal does not require contributions, timing does not seem to be imperative at this point.

So I ask you, Mr. Speaker, in order to bring it to the attention of the parliamentary secretary and the minister, this question: Given the implications of the proposal as related to the drop-out provisions, is it essential to proceed with it at this time, in view of the fact that we do not know what will be the future orientation of the plan, and since many people are raising concerns in regard to the whole funding of the Canada Pension Plan?

I have indicated to the House that at long last there is some attempt to recognize the need for splitting pensions in order that spouses will have an equal share as a result of having made a contribution to the home. I have also pointed out there are some problems in that regard. I have also said that we must consider the role women have played and will be playing in terms of raising their children—men as well. Therefore, we are considering drop-out proposals in order to give them the opportunity to raise their children. At the same time, I let it be known in no uncertain terms that there are a lot of problems with respect to the drop-out proposals. I registered my concern about the whole question of funding of the Canada Pension Plan and do not think I have to add any further words in that regard.

● (1630)

Last, but not least, I dwelt upon the question of investment and what has happened with Canada Pension Plan funds. We are not getting value for our money. It is dangerous to proceed, given the fact that all these matters raise several very important questions. We are waiting now to see that this bill is passed on to committee. I can say, on behalf of my party, that we welcome this step; but at the same time we will have to ask a lot of questions regarding the inequities we see. These are inequities regarding the splitting, the drop-out, the funding, and the investment.

It is most important to point out that we do not have any information as to where this plan is going, yet I know there are expert studies. We are expected to deal with this bill now—the amendments to the Canada Pension Plan. We have no idea as to what future funding means, and we have no idea what we are doing in terms of our grandchildren and payments under this plan. We will allow the bill to go to committee. At that time we will be able to talk to the minister in a reasonable fashion in order to determine where we are going with the Canada Pension Plan.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the hon. member for Hamilton West (Mr. Alexander), I regard this as a very important piece of legislation. Like him, I am sorry the Minister of National Health and Welfare (Mr. Lalonde) is not able to be here with us throughout this debate. It was explained to me why he is not able to be here this afternoon. I accept that explanation, although I notice that now we do not even have the parliamentary secretary.

Mr. Alexander: Shame.

Mr. Knowles (Winnipeg North Centre): However, if it is not against the rules for me to say it, I do note—.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think there should be a note in *Hansard* to indicate that the reason for that applause is that the Minister of National Health and Welfare has just walked in. Seldom have I had a wish fulfilled so instantaneously. I am aware of the fact that the minister's officials are within the sound of our voices and are taking note of what is being said, so that before the day is out he will have the full debate reported to him.

At the outset I have to say that I shall differ in many respects with my friend from Hamilton West with regard to things he said. I was surprised that his voice was so much the voice of Geoffrey Calvert and Colin Brown of the *Globe and Mail,* rather than the voice of the people of Canada. I believe that they really welcome and applaud the Canada Pension Plan.

I shall leave until later in my remarks any reference to the position that Ontario is taking in refusing to go along with one of the proposed amendments. That means I shall also leave until later my response to the things that the hon. member for Hamilton West has said about the funding of the Canada Pension Plan and the whole question of its orientation and the direction in which it is going.

First, I want to indicate my views with respect to the things that Bill C-49 actually does. I find myself in a position that I have been in a good many times during my years in this House, namely, having to say that this bill goes in the right direction. Therefore, I shall support it. But it does not begin to go far enough. Indeed, I was annoyed when I read in the minister's press release the day the bill was introduced and given first reading words which said that these amendments will recognize the role of spouses working in the home, and then again that these amendments are intended to provide some measure of recognition and financial security for spouses who work in the home.

Sir, if I was annoyed at those mild statements in the press release issued by the minister the day he introduced the bill, my annoyance went up a few notches when I heard his parliamentary secretary say at the conclusion of his speech this afternoon that these amendments represent a major step for-

ward in the recognition of the place of those who work in the home. As if it is not enough to have heard the parliamentary secretary read those words from a speech that had been prepared for the minister, the minister now has the gall to applaud, when I quote those words. It does no such thing. This bill slightly recognizes that there are women who work in the home, and that because of that they should be given some very slight recognition. To call it a major step forward is really a misuse of language.

The bill, in that respect, proposes to do two things. The supporting material the department has put out makes it very clear that neither of these steps is going to cost very much, which means, in effect, that there is not much to it. The bill does two things.

Mr. Lalonde: It is divided between the two.

Mr. Knowles (Winnipeg North Centre): It does two things with respect to spouses. It does a number of other things which are housekeeping details. It is interesting that the word "housekeeping" got into this bill when we are talking about spouses. That is an aside. It does two things in so far as spouses are concerned. First, it provides, in the event of marriage breakdown, provided the marriage lasted for three years, that the combined assets can be split between the two parties. The bill goes into a lot of detail as to how that can be done, depending upon when the marriage breakdown took place, when the divorce was completed, the age of children, and so on.

At any rate, that is one thing the bill does. It combines the total value of the assets of husband and wife and splits those assets 50-50, if there is dissolution of the marriage, after that marriage has lasted three years. We accept that and we will support it. We think it is a good idea. We think it is some recognition, but only an infinitesimal recognition, of the fact that the spouse who stayed at home has made some contribution to the economic well-being of that family unit.

The other thing it does is to make a slight change with respect to women who are contributors. I say women, knowing that the bill works both ways, and I should talk about spouses. It could be a woman or a man. But in 90 per cent or more of the cases the bill is dealing with the mother—the woman. In that sense, the bill provides that if a woman has been a contributor already, and then stays home for a few years to raise children, provided those children are not over the age of seven the years spent doing that can be dropped out of the years that are involved in the calculation of her retirement benefit when she reaches age 65.

● (1640)

The hon. member for Hamilton West seemed to be worried about some element of subsidy. I find it awfully hard to see any element of subsidy. It is not giving anybody anything new. It just says to certain women who stay home to raise children that under the law as it stood we took away some of the rights they had earned, but we will give back those rights because the reason for staying home was to rear children. There is nothing whatsoever in this provision in this legislation for the woman, the spouse, the wife, the mother who stays home the whole of her married life or was a contributor for a while and never goes back to the labour force. We are asked to believe that this is a major step forward in recognizing the work in the home, but it applies only to a limited number of cases.

As far as that great number of Canadian women—even in this modern day I suggest there are many of them—who play the role of wife, mother and homemaker and do not go out to work, there is nothing whatsoever for them. For the government to try and tell us that this is a move in the direction of recognizing the role of work in the home in sheer nonsense.

I am going to support this bill even though I have called it nonsense. It is a very halting step in the direction of admitting that there are times when women, by their work in the home, earn some economic recognition, some economic rights. However, I want that to go all the way. Let us not wait until the year 2000 or 2100 before we carry the principle of equal rights for men and women all the way.

We have in this legislation, in veterans' legislation, in the pensions that widows get from the Canada Pension Plan, or from working for the CNR or the federal government, the concept that a woman gets only what she is entitled to because she had a husband, because of her attachment to a male person. What about granting to women rights in their own stead? I suggest that the time has come, not just to do the simple little thing that is proposed in this amendment to the Canada Pension Plan, but to recognize in full the role that is performed by women who stay home, raise children, look after the household and the family that in that way help to keep the nation going. This bill does not do that. It does not even recognize it.

Excuses are offered. The main excuse offered for not putting it into this legislation is that the Canada Pension Plan is an employment-related pension scheme. I fully recognize that. I was around when we were putting together the Canada Pension Plan. I feel a certain responsibility for it and a certain pride in it. It is one of the best pension plans to be found anywhere as far as the citizens of a whole country are concerned. Therefore, I accept that it is an employment-related pension plan.

If we were to break that by giving pensions where no employment or no employment earnings are involved, we would then be producing a totally different scheme. The minister is no doubt aware that a good many times I have asked him questions in this area and a good many times I have moved motions under Standing Order 43. I think he will admit that my questions and motions have always been carefully worded. I have not proposed that women who stay at home should get benefits under the Canada Pension Plan as though they were employed and had earnings. I have proposed that they should be given pension rights equivalent to those that are given to those who work and contribute to the Canada Pension Plan.

The various committees that have studied this have come up with the answer that it cannot be done under an employment-

related pension plan, a plan which is related to earnings from employment. I suggest there is a way this can be done and that it would meet the problem we are dealing with today much better than this bill does. It would deal with those cases the hon. member for Hamilton West talked about, persons who stay at home to look after an ailing parent or an ailing spouse.

What business is it of the state to pick and choose among the reasons why a person stays home? What business is it of the state to say this is an idealistic thing that you do, and this is not? I suggest that we should go for a form of universality. We should provide that every person between the ages that apply in the Canada Pension Plan, the 47-year period between 18 and 65, who is not employed and is not contributing to the Canada Pension Plan should get a certain percentage of credit toward a supplement to his old age security, a certain percentage for each year he is not a CPP contributor. Although the specific percentage I am suggesting is not the point to hang on, it is the idea, and I am suggesting that the figure should be 2 per cent per year.

Mr. Lalonde: To be contributed?

Mr. Knowles (Winnipeg North Centre): Without contribution. I am suggesting there are 47 years between ages 18 and 65. That is the compulsory period for contributing to the Canada Pension Plan. Every person is allowed to drop out 15 per cent. Fifteen per cent of 47 years is just a fraction over seven years, which means that the remaining portion is almost 40 years.

A housewife and mother who stayed home all that time, or a male person, for any reason whatsoever, should get a credit of 2 per cent for each of those years up to the 40 as an addition to his or her old age security. In other words, the nice, good, old-fashioned wife who stays home the whole time, raises the children, looks after the old man, and generally behaves as good Canadian wives and mothers used to behave, would have an 80 per cent, 40 years times two, supplement, without a means test, added to her old age security.

Therefore, at the point of retirement, the husband would have his old age security and the Canada Pension Plan to which he contributed. The wife would have her old age security and an 80 per cent addition because of the contribution she had made to Canadian society, the Canadian economy, the Canadian life, by being a Canadian wife and mother at home. For shorter periods without making contributions, the supplement would be lower. Do not smile about this. Do not laugh about it. I suggest it is the kind of sensible proposal the government ought to consider.

I do not agree with at least half the criticisms advanced today by the hon. member for Hamilton West, but he did have a point. He said it is unfair to grant this consideration to the woman who stays home to look after the children, but not to the woman who stays home to look after an ailing husband or ailing parent. If you try to bring in various categories, you will do nothing but get into trouble. However, I suggest there is a way along the lines I have proposed to see that everyone's contribution to our economy gets recognized.

I am back to the basic point that underlines all that I want to say this afternoon. I am not going to go into the kind of details that the previous speaker did. I think for the most part the details that are in the bill implement correctly what the bill is trying to do. However, I quarrel with the fundamental assertion by the Minister of National Health and Welfare made by his parliamentary secretary that this measure is a major step forward in the recognition of the role that women who stay in the home play in our economy.

● (1650)

As I have said, look at the pensions of veterans' wives and widows, the pensions of widows of Canadian National employees, or of members of parliament or of public servants. In all cases they are not pensions that are given to them in their own right as persons. They are given to them because they can say, "he was my man". If this is a day of equal rights, if we proclaim it in legislation and in fine oratory, I suggest it is time to move in that direction. Yes, this bill moves in that direction but it does so hesitatingly. It does only two things: it says that if there is a marriage breakdown, the assets can be split 50-50, and it says that in the case of a woman who has an attachment to the outside labour force and has an attachment again later, we will give back to her certain credits that were taken away from her under the legislation as it stood.

I am quite prepared to vote for this bill. As I say, I have been voting for decades for pieces of legislation that did not go far enough but moved in the right direction. This one does that, and I hope that in committee we can have some useful discussion about it.

If I may indulge in something that might seem a bit light, let me say that this bill raises another problem. In addition to being a stickler for the rules of this place, I am a stickler for the rules of grammar. I shudder sometimes at some of the errors that I hear in the House, but they are usually corrected in *Hansard*. One rule that really bothers me is the rule that he or his includes she or her, but the reverse does not apply. I wrote a letter to the president of CBC a while ago—I do not do it very often; I do not complain about the so-called bias of CBC—about a professor whom I had heard, who turned out to be a professor of English, making a speech in which he used the phrase "everybody and their dog". That is a pretty common error. It should be "everybody and his dog", even if the "everybody" happened to be a woman. The rule I mentioned is in the Interpretation Act. It states that his includes her and he includes she.

In this bill we are talking about the person who stays at home, the family allowance recipient. In 95 per cent of the cases we talk about the woman, the mother, but all through the piece it refers to he and his. It is clumsy to use the his or her expression—I do not go for it at all—and I would certainly not consent to using the word "their" because we are talking in the singular.

Maybe the time has come for us to amend the Interpretation Act and where in that act we say that his includes her and he includes she, we should write the reverse and say that she

includes he and that her includes his. However, as it stands we are talking about these persons who stay home, and time after time we read that he stays home to look after his children although, as I said, in 90 per cent to 95 per cent of the time it is the woman we are talking about. I hope that that piece of grammar can somehow be straightened out. It is probably cause for an amendment to the Interpretation Act rather than an amendment to this act.

This bill does two main things, as I said. It splits the benefits or credits in the case of a marriage breakdown and it makes a slight concession to women who stay at home to raise their children. It also does a few other things that are quite acceptable to me. I refer to the retroactivity that is established for persons who apply for their Canada Pension Plan retirement benefit between the ages of 65 and 70. I refer also to the international agreements and various other details that are in the bill. So far as we are concerned, those things are acceptable and we go along with them.

Although the bill did not raise the matter, my friend the hon. member for Hamilton West did raise the whole question of the funding of pensions. He used some pretty broad language. He spoke about the whole nation being concerned, and about all segments of society worrying about the future of pensions. This, of course, was his answer to the reference that the parliamentary secretary made to the fact that the Ontario government has not yet agreed to one of these amendments. I regret that as well. I say, quite frankly, that I hope that when this House and the other place have passed this bill, Ontario will reconsider its position. I may say, in passing, that I was one of those back in 1965 who voted against the clause in the Canada Pension Plan that gave this power of veto to a province. We did not like the formula at all, and we said so at the time. We said, in effect, that this was writing some of the constitution into the Canada Pension Plan. I am sorry to see it being used at this time.

I see that it is almost five o'clock, Mr. Speaker. When I rose to my feet I wondered whether I might finish before five o'clock, but since I cannot do that, and since I want to deal with the points raised by the hon. member for Hamilton West about funding—he is worried about future generations being burdened with the cost of higher pensions—perhaps I might be permitted to do that when the House meets again this evening. So at this point may I ask that you call it five o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of the adjournment are as follows: the hon. member for Egmont (Mr. MacDonald)—Transport—Date of decision on use of refrigerator cars to transport potatoes—Possibility of rate increase; the hon. member for Vancouver Quadra (Mr. Clarke)—Canadian Mint—Reason for accepting orders for coins from foreign countries; the hon. member for Edmonton-Strathcona (Mr. Roche)—Administration of Justice—Reported ineffective surveillance of therapeutic abortions—Government action to correct.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. Turner): Notice of motion No. 16 in the name of the hon. member for Scarborough West (Mr. Martin).

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): The motion stands at the request of the government.

Mr. Goodale: Mr. Speaker, I think we can expedite the work in private members' hour this afternoon by pointing out that there is general agreement to deal with notice of motion No. 22 standing in the name of the hon. member for Edmonton-Strathcona (Mr. Roche).

● (1700)

SUGGESTED ESTABLISHMENT OF PARLIAMENTARY COMMITTEE ON CANADA'S GOALS FOR THE 1980s

Mr. Douglas Roche (Edmonton-Strathcona): moved:

That, in the opinion of this House, the government ought to establish a special parliamentary committee on Canada's goals for the eighties, to enable the formulation of national objectives for the decade ahead, such committee to (*a*) receive briefs and representations from organizations and individuals suggesting priorities for economic and social development of Canada, and for Canada's role in international development (*b*) conduct hearings in every province to enable interested persons to communicate their views personally (*c*) publish a report on findings and recommendations to be debated in the House of Commons as a guide to the government in presenting its programme of economic and social legislation.

He said: Mr. Speaker, I wish to place my motion before the House this afternoon for general consideration, bearing in mind that it is fortuituous that we are debating this motion today when Mr. Justice Berger's report has just been tabled. The Berger report dramatically shows how deep are the feelings within the Canadian public about energy and environmental questions, and how much we politicians can be helped by a thorough examination of alternative routes into the future.

Put as concisely as possible, the future of Canada revolves around the nature of the growth of our society. Who will

determine the nature of this growth? At this very moment the Canadian Association of the Club of Rome is meeting in Ottawa to wrestle with that question. This is not just a theoretical exercise. Great changes and perplexing questions are all around us in Canada and throughout the world. Will we give human development precedence over material growth? Will we forgo the satisfaction of immediate desires in favour of future stability? Will we use our enormous techno-scientific power for the benefit of humanity as a whole? An important new publication by the Club of Rome entitled "Goals for Mankind" stresses the urgency of establishing these goals. I quote from it as follows:

The inquiry into what we are up to, what we can or should do with ourselves and future generations, should undoubtedly come first, if for no other reason than because without an over-all design our frenzied activities can but give rise to colossal disorder—which is precisely what is beginning to occur today.

I am asking parliament to establish a mechanism for focusing on a wide range of interlocking economic, social, scientific, constitutional and cultural problems that will be facing Canada in the 1980s. I am asking that we look ahead to establish priorities in government planning so that Canadians get a sense of direction of where we are going, so that Canadians be given a chance to state what kind of country they want and so that the input into the decision-making process is greatly expanded beyond governmental bureaucracy.

The committee I propose is far more than just an exercise to keep parliamentarians busy. It is urgent because of the economic and social disorder of our time. To put it simply, we are backing into the future. Technology has given us the ability to plan our future, yet the political process does nothing more than put band-aids on problems that break out. Analysts by the dozen, from Alvin Toffler to the Economic Council of Canada, have told us that. We are preoccupied with inflation, unemployment, regional disparities and discontent and, now, the overriding question of national unity. Nor can Canada escape increasing involvement in the two paramount international issues of disarmament and Third World development. All of these problems call for co-operative, long-range solutions. Why, then, do we not provide Canadians with an opportunity to tell government what kind of Canada they want?

In this moment of crisis in which we seem stunned by the threat of Quebec's separation, let us take some positive action which will establish not only why the country should stay together, but also how we can build a more just and equitable society, responding to economic and social needs in every region of Canada.

Government and parliament make a big mistake by consistently examining society using only factors easily convertible to quantitative data such as income levels, production and trade balances. The determination of public policy should also take into account the psychological and, in the broadest sense, the spiritual reaction of society to the rapid social changes of the past three decades. Of course, it is difficult to find consensus on national goals in modern society. But we ought to try, for it has become clear to me on my travels across the country—and I have spoken in 24 Canadian cities and towns since January—

[Mr. Roche.]

that there are men and women in increasing numbers who long for a more human social order.

A successful society requires more than growing statistics. It requires the revival of what journalist-philosopher Walter Lippman called a public philosophy. In a public philosophy the highest laws are those upon which all rational men of good will, when fully informed, will tend to agree. All men, both those who govern and those who are governed, are always under those laws which can be developed and refined by rational discussion. The question before us is whether we will implement a public philosophy in the 1980s or continue to tolerate a disjointed society where the loss of human dignity has reached scandalous proportions.

People are paying higher taxes to support ever-growing government at all levels, while the problems of housing, resource distribution, safety and transportation are getting worse. Distrust of a powerful and faceless bureaucracy in Ottawa is increasing. Many people have vague feelings about something being wrong and blame their politicians for not solving it. The criticisms we receive, however, go beyond specific objections and reveal a fear and frustration over the discontinuities of modern life. It is normal for politicians to receive complaints. What is abnormal is that the source of alienation now goes beyond the political process and is found in the depths of society itself. This is by no means a Canadian phenomenon. It is part of the general decline in the confidence in democratic governments everywhere. A lack of faith in democracy is spreading.

Analysing this crisis, the trilateral commission, which is composed of scholars from western Europe, Japan and North America, declared that the central dilemma of democracy is that "the demands on democratic government grow, while the capacity of democratic government stagnates." We have for so long elected politicians on their supposed ability to ensure the fulfilment of consumer demands that the political process is unable to respond to the unprecedented challenges posed by the reality of an interdependent global community. Our political system was made for another age. I do not have much confidence that it will be reformed as long as we encourage members of parliament to measure their usefulness by the number of short-range benefits conferred on their electors.

Unquestionably, the parliamentary process itself needs to be updated to make it more effective: television coverage, shorter speeches, examining departmental estimates in the House rather than in committee, more support staff for members of parliament. However, merely improving the myriad internal systems and mechanism will not be enough. Modernization of the institution will not, by itself, restore public confidence in the ability of members of parliament to lead Canada today.

Members of parliament cannot just snap their fingers and restore stability and tranquility. Members of parliament are not even agreed on how much or what kind of moral leadership we are capable of giving. Politicians alone cannot successfully cope with the explosion of change around us. People from every walk of life must become more finely attuned to what is really happening in the world. Then, perhaps, the political

process will more accurately reflect viewpoints and there will be a greater section of society more responsive to this kind of leadership.

The technocrats have had their way in the parliamentary process for too long. It is time for a new kind of political leadership based on a declaration of value openly arrived at, and that entails bringing some philosophical beliefs concerning key moral issues on to the floor of the House of Commons. It is not just a matter of finding immediate answers to problems, but of examining the horizon of where we are headed. As we turn to the horizon today we see the dignity of man and his most basic rights threatened increasingly. Prophetic voices are needed, and parliament should be a great amplifier.

I believe that it would be a constructive act for us to establish a special committee of this House assigned to the task of listening to the needs of Canada in the way I have outlined. I must point out that I am not alone in my thinking. On February 11 the Minister of Finance (Mr. Macdonald) proposed the appointment of a special committee to consider and report upon the government document entitled "The Way Ahead". However, the committee I envisage would do more than study our economic future. We ought to be concerned, as I have said, about other facets of society that all intermesh and that are woven into the fabric of Canada. It is the full range of economic, social, scientific and constitutional factors that should be examined.

● (1710)

The Science Council also believes that some mechanism must be created to assure public input into public policies, to assure that the public good is represented in government decision-making, and to assure that this fragmented society becomes one of consensus. Senator Maurice Lamontagne advocates forming a separate government agency called Horizons Canada to stimulate discussion of Canada's future. But why set up a new body? Why cannot parliament fill this role through the creation of a special committee?

The hon. member for Windsor West (Mr. Gray) has asserted his belief that the definition of choices and goals for Canada to adopt in the post-control period certainly should not be done only by some planning group working confidentially within the government. His proposal is to set up a special parliamentary committee on national goals. It is worth noting that this committee as envisaged by the hon. member would not be restricted to economic issues. He points out that there should be attention given in the committee's work to the question of whether the country's policy emphasis should be on economic growth or on improving the quality of life.

A similar view is held by the Gamma group of Montreal, organized with federal funding to study the concept of a conserver society. In its final report the group proposed as its first of four major recommendations that a public debate should be initiated in order to elicit reactions from different pressure groups concerning the desirability of a conserver society. Such an inquiry should not be open only to those who have been organized into pressure groups; it should be carried out by a parliamentary committee.

In "The Way Ahead for Canada", subtitled "A Paperback Referendum", the editor, Robert Logan, has devised a novel means of allowing public input in government policy. Readers are invited to fill out a questionnaire at the back and mail it to the Prime Minister's office. Professor Logan believes it important that all people have some input into future policies, and sees this unique poll as a first step. It is significant that the scope of the questionnaire is wider than that of the government working paper and that Professor Logan wants parliament to have a major role in determining what Canadians want as their future.

In asking members to support my motion, I suggest that Professor Logan's book contains many reasons for their doing so. Here are a few quotations, the first from the futurologist Alvin Toffler who says:

> Unless we are able to reconnect citizens with the political decision system, unless we can create many new and sensitive channels for feedback between people and their governments, we will not be able to solve our economic and social problems. For even more fundamental than specific government programmes, are the processes by which we arrive at them.

This next is from the distinguished hon. member for Don Valley (Mr. Gillies) who says:

> Economic policy-making in Canada has been poor in recent years because it has been so totally closed. The senior officials in the Department of Finance and the Bank of Canada set the policy directions of the nation. The results have demonstrated that this is not an adequate system. Economic policy is so important that instead of being made in secret, it should be a matter of public debate.

The third is from Bruce McLeod, former moderator of the United Church of Canada, who says:

> If it is important that Québécois determine their own destiny and not be made into Albertans, or vice versa, it is possible to argue that without the struggles and disagreements within a fellowship that includes both, neither would easily achieve an undistorted self-understanding appropriate to this end of the twentieth century. Structures that divide us and keep us separate and unexposed to those who think and act differently, do not necessarily ensure our own growth, let alone our responsible participation in the building of the earth of which we are a part. What is needed is a model of federalism in which diversity is expected and protected, but in which doors are opened between narrow circles and unity is forthrightly declared.

I agree with Professor Logan when he says that although decisions are best made by elected representatives, our present system of government could be vastly improved if more meaningful input could come from the people.

Mr. Speaker, I turn briefly now to some of the chief areas of my concern about the next decade and why I am reluctant to see policy formed only on the basis of narrow opinions, no matter how expertly couched. I take, as my first example, immigration. Surely the immigration debate which is still going on reflects the diversity of views among Canadians brought out by the Standing Committee on Labour, Manpower and Immigration. What worries me is that in the formation of policy undue weight may be given to special bodies such as, for example, the Science Council of Canada which has come out strongly for a low-population, high-technology future for Canada without, at the same time, redressing present dispari-

ties among either the nations of the world or the parts of Canada.

Science alone is not the answer to human development, as the Canadian Council on Social Development makes clear. Neither is economics. The incessant economic tendency of the strong to take from the weak must always be fought against. The danger of this is heightened by the fact that many Canadians now place the blame for our current troubles on excessive social welfare expenditures and are inclined to demand cutbacks in those programs first. For these reasons, Reuben Baetz, in the 1976 annual report of the council, calls for an over-all strategy for social development in a time of economic constraint.

If the over-all resources available for social development are to be more limited in the future, then they must be more concentrated on helping those most in need. Mr. Baetz identifies the most vulnerable groups as one-parent families, the retired living on diminishing savings, the physically handicapped and underemployed and unemployed youth. He calls for a much better understanding of the size and nature of our social welfare programs, arguing that their size is often exaggerated, their effect on inflation frequently misrepresented, and the "hidden welfare" of tax exemptions and corporate subsidies typcially ignored. These are some of the questions we are beginning to examine as we look into the next decade.

Finally, I see the network of Canadian problems revolving around our perception of the conserver society. I suppose if you had to boil it all down you would say we hope for the kind of society in which conservation is going to be a good word. The source of our current problems, however, is much deeper and more complex than resource limitations alone. The conserver society, based as it is on a concept of growth with a purpose, will not be achieved merely by conserving resources. It calls for changes in our values and outlook. The conserver society recognizes that there are social limits to growth. The traditional values of thrift, efficiency and the avoidance of waste need to be re-found. This is also the theme of the Vanier Institute of the Family, trying to protect family values and to establish a better relationship between family and society that promotes social co-operation and the well-being of all. The key word to the conserver society is "rethink". We are being asked to question our need for things and the way in which Schumacher, in his book "Small is Beautiful", has raised these questions.

Clearly, the concept of the conserver society has greater implications than asking people to save 10 per cent or some other percentage. How can we ever expect people to accept the principles of the conserver society, which suggests serious changes in our lifestyles, without allowing them some input?

In conclusion, I urge parliament to reflect on the fact that many of our problems today are due to decision-makers of the past who ignored the future. Today we have new tools to build a future Canada, and our responsibility for doing so is all the greater. Building for the future is the most realistic kind of politics there is.

Some hon. Members: Hear, hear!

[Mr. Roche.]

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, the hon. member for Edmonton-Strathcona (Mr. Roche) has put before us a motion that really engages our imagination and thoughts. For that we are most grateful. It demands that we should project our thoughts forward to what we shall do in the eighties.

● (1720)

In his motion, the hon. member suggests how we should go about establishing priorities for the Canadian people. Mr. Speaker, the hon. member's proposal is to be commended. It deserves support. I say this because all who enter politics, whether they sit on the government side or in opposition, want very much to participate in the shaping of laws which govern not only what we shall do in the present, but anticipate—if that is the right word—that which is to come in future. However, I do not agree with one part of the position put forward this afternoon by the hon. member for Edmonton-Strathcona. In saying this, I do not wish to detract from the importance of his motion and the ideas he put forward this afternoon.

The concern he expressed about growth and about a conserver society strikes me as the sort of concern expressed by those who have "made it" in society, to use a popular expression, who have attained a certain degree of success in life and can therefore view with equanimity the prospect of diminishing growth or no growth. That concern is not shared by Canadians who have not "made it." Such Canadians look on growth as of the utmost importance. They do not look on it with fear or think it a bad thing. I cannot be convinced from my political experience, therefore, that growth is bad non-growth is good.

The tests of growth are these: What kind of growth is it? In what sectors of society does it take place? What kind of waste does it create? How does it contribute to the quality of life, if I may use an expression, the meaning of which is not well defined? Also, what are the advantages of growth? What benefits will it bring us? Conversely, what are the benefits of giving up certain goals which we in our lives pursue? Really, those who would try to persuade Canadian society and parliamentarians that we should look forward to no growth in the 1980's, or look on growth with suspicion as something bad, are engaged in a fruitless exercise. I do not think the pursuit of growth is terrible and I do not support the suggestion that we should not pursue it.

Having said that, I see, nevertheless, the merits of parliamentarians consulting with the Canadian people on the broader questions of our goals for the 1980s. I prefer this course. In the past parliamentarians have consulted with Canadians across this country on a variety of topics. The hon. member has already mentioned one. I think of the committee which travelled across the country at the time of our taxation reform. Before that a committee travelled across the country to consult citizens on the question of constitutional reform. That was a most successful process of consultation. In parentheses, let me add that consultation as a process of arriving at

a decision, no matter what it may be, is, as the hon. member suggested, as important as arriving at the goal which the government, various parties or groups of individuals may pursue.

A special group of parliamentarians, such as that to which the motion refers, perhaps can consider matters relating to present day reality and questions which we must face. Perhaps it need not look as far ahead as the 1980s. In this country a number of consultative bodies function. I am thinking of bodies such as the Economic Council of Canada, the Science Council, and the Council for Social Development. I think the hon. member for Edmonton-Strathcona referred to such consultative bodies. Evidently, since the hon. member has suggested the establishement of a special group of parliamentarians for the purposes set out in the motion, he feels that the consultative bodies previously referred to are not totally in touch with present-day reality; that their reports are not sufficiently comprehensive and do not indicate clearly what we should do in the years to come.

If that is the hon. member's position, I agree with him. A special parliamentary group of the kind suggested could consult with the Canadian people about a number of areas of concern and return to Ottawa with interesting ideas. For example, take the field of education. All of us, young Canadians included, ask if our educational system is preparing people adequately for their entry into the labour force. Is it preparing Canadians for those tasks in the labour force which must be carried out in our complex society? Or, because our young are trained in the ideas of the past which considered higher education as a desirable goal in itself, and the alternatives to it as perhaps not worth pursuing, or attractive, are certain types of jobs in the labour force begging for takers left chronically unfilled?

I am referring to the large numbers of graduates our universities produce every year who are considered as overqualified or too highly educated for the jobs available. For these reasons I suggest it is time the federal government looked carefully at our educational system. I know education is not a federal responsibility in the main. Nevertheless, employment and the labour market fall under federal jurisdiction. Therefore, it is of the greatest importance to the Canadian public and educational institutions, to determine if our educational institutions are in tune with the demands, needs, aspirations and realities of our labour market. Are we educating people to meet that demand?

● (1730)

Another area which comes to mind is that of renewable energy. The subject has already been mentioned by the hon. member for Edmonton-Strathcona, but I should like to add that consultation among Canadians as to what interest they have, what steps they are prepared to take, and what they would like the government to do in the field of solar energy, for instance, or the utilization of wind and tidal power, or of the utilization of the products of biomass, would be most valuable. The shortage of conventional energy sources will become more acute as the years go by, and certain decisions will have to be implemented probably much sooner and with a greater degree of priority than might presently appear likely.

Another area this committee could cover is that of automation and its effect in wiping out, virtually, large numbers of unskilled or semi-skilled jobs, resulting in unemployment unaccompanied by parallel work opportunities. Inevitably we see technology producing ways of eliminating jobs through the introduction of automation. Evidently this gives rise to difficulties with which the average Canadian is familiar either on a personal basis or through observation. As a phenomenon of our time it certainly has implications for the years ahead.

This displacement of the work force has yet another aspect. In Canada today we find an increasing number of people who, having spent 20 or 30 years at work in a highly demanding occupation, find themselves physically incapable of continuing in their jobs, simply because, having arrived in their fifties they have given the best of their energies. At this point they find there is no suitable alternative employment available to them, though this used to be the case before the trend to automation began. The alternatives are disappearing. Here we have individuals with five, ten or 15 years of useful working life ahead of them, who can find no place to go as a result of the trend in automation. I regard this as an important point, and it is one I should like to raise in relation to the motion before us.

Yet another field is that of the relationship of Canadians to their environment. This is a subject which concerns Canadians of all ages and at all income levels. National priorities would be well worth establishing. We would, I am sure, be able to find out what Canadians in all the various communities are thinking—those who live by the sea, in the mountains, in the cities or on the prairies. We could ascertain what Canadians believe governments at all levels should do to protect the environment. I am not thinking only of pollution. We all know what is taking place there. I have in mind the spread of new diseases such as the budworm disease in Nova Scotia which does not seem to respect provincial boundaries and which therefore calls for techniques based on a new approach.

Another thought which comes to mind is related to an issue which the hon. member for Edmonton-Strathcona raised last week—it was dealt with subsequently in the media—consequent upon the resignation of the Chairman of the Royal Commission on the Concentration of Corporate Power. There is definitely a need for a continuation of this kind of dialogue. The terms of reference of the Commission were criticized at an early stage as being too narrow. It was said that certain groups in Canadian society could not be heard. In view of the latest developments, it occurs to me that this question of the concentration of power in our system might well be one into which a parliamentary committee could inquire. The committee might spend some time establishing the consequences of this concentration of power, and determining what should be the policies of the eighties with regard to its redistribution.

When we talk of concentration of power we must also talk about taxation. The present system of taxation is designed to

retain the incentive to create jobs with the public goal of redistributing wealth. Of course it is no easy task to strike a balance between the two. We remember what we went through in 1971 at the time we travelled throughout the country to hear the views of Canadians on this subject. Six years have already gone by, and it would not seem unreasonable to me if we were to decide that the tool of taxation, being one of the highest importance, requires regular analysis in order to determine whether it is still in tune with current values and the general objective of the nation.

The hon. member for Edmonton-Strathcona made one or two remarks which disturbed me. He may be right; I do not know. He indicated that the political process seems to be increasingly unable to respond and that we are working within a political system which is made for another age. With those two comments he raised an area of investigation and study, because if it were so—

● (1740)

The Acting Speaker (Mr. Turner): Order. I regret to inform the hon. member that his allotted time has expired. He may continue with unanimous consent. Has the hon. member unanimous consent?

Some hon. Members: No.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I rarely speak on these private members' motions but I want to congratulate the hon. member for Davenport (Mr. Caccia), who has just sat down, on doing something which should be the aim, I think, of every member who comes to this place, namely, to hear an argument presented logically and coherently, as did the hon. member for Edmonton-Strathcona (Mr. Roche), and then as an opposing member to stand up and debate the subject matter raised by the original speaker, which is to have a confrontation type of debate. Sometimes there is contradiction, sometimes there is support. I congratulate the hon. member for Davenport for doing what every member of the House of Commons should do.

Sitting on this side of the House, and having sat on the other side too, nothing depresses me as much as to hear members on the government side reading written material obviously prepared by someone in the department for which they are the mouthpieces. It appalls me that in the House of Commons, where we are supposed to represent the people, not our civil service masters, this sort of thing could happen.

I think the remarks of the hon. member for Davenport lead me into what I want to say in support of the hon. member for Edmonton-Strathcona. What the hon. member is trying to say in this motion, as I understand it, is that the procedures that we are using to put information before the decision makers, theoretically this parliament, are obsolete. I would question the use of the word obsolete as being accurate.

I should like to remind the House that the subject we are debating briefly today is not new. During the days of the depression and during the days of war many, many people in all parts of Canada put their minds to this problem of where we are going, and what can we do. Without going through a whole recital there was a vast movement of people who said that the answer to our economic problems was to let the government take over the ownership and control of, for example, resources. That was an alternative course to what we were doing.

There was another train of thought which developed during the war, primarily among our civil servants, and at universities to some degree, namely, that our universities, our business people and our civil servants had done a good job of running the country during the war. They had accepted the doctrine of Lord Keynes, for example, in the monetary field. They had accepted the doctrine of Beveridge—the hand-over proposals which we are debating today, universal pensions for everybody regardless of contribution or need. They also accepted a third principle, namely, the principle that there is only a small elite in each country which can rule. Burnham put it into words.

Rightly or wrongly, this country did not take the course of socialism. It did not continue the course of drifting of the pre-war period. Instead we adopted the course of a directional type of control run by a select few, mostly civil servants, with a few allies at universities and in business, and the name that we began to apply to this peculiar function was "The Establishment". As I understand it, that is what the hon. member for Edmonton-Strathcona is saying.

Let us assume that there are in all parts of this House of Commons enough people with a mentality sufficient to labour long and hard, and to look at several ideas put forward by the people. Do we have forever to bow our heads and bend our knees in worship of a small group, which is so small in our federal establishment that they can be numbered almost on the fingers of one's two hands? Should this small little group of mandarins decide reaction to events and the future course of our country?

Let me go back a bit, Mr. Speaker. In 1946 these same civil servants, the group I am referring to, when this concept was first introduced, produced a paper known as the white paper of 1946. If a person were to look at that paper—and I looked at it under Mr. Howe's leadership—he would come to the conclusion that it was a brilliant conception of what Canada was going to be for the next 30 or 40 years. This was the real birth of the concept of directional planning on the part of a small, elite group, not the democratic socialists that the NDP, or the CCF in the old days, talked about, but a small, elite group, the managerial elite, who would run this country. I ran into this group as a minister. Certainly I had a few victories, but very few, and I remember the thousands of defeats by these people more able than I, more persuasive, using bigger words, and overwhelming in their logic and their argument.

I suggest that in the last 15 years one of the basic problems facing our people has been the complete surrender of parliament and of the cabinet to the views of this group. That, I think, is what the hon. member for Edmonton-Strathcona is saying. Maybe there is some truth out there among all these people. Maybe that truth could be funnelled in, as the hon. member for Edmonton-Strathcona said, by getting out of here

and getting in contact with people on specific issues like taxation.

I know that the white paper of 1946 caught my imagination. I was very struck by it, as I had been struck by the concept of democratic socialism in the thirties. But you have to apply the test of experience to these things, Mr. Speaker. When we formed the government in 1957 there was a group of us in the government who during the days of depression and war had planned certain programs to implement if ever, by God's grace, we were to sit on the other side of the House.

We took advantage of the fact that the American republic to the south of us was very worried about the tremendous utilization of their resources during the war. They had produced a six year study in 1950 called the Paley report. Unfortunately for the American people their Congress paid no attention to the Paley report and its five volumes, which warned the United States that by 1980 it would be in a serious position in regard to several strategic resources, including oil and gas. The only thing that has happened which is different from what was projected in this period of 1949-1950 is that the crisis has arisen sooner, and fear has hit the American people.

This brings me to a small but important matter. I think the hon. member for Davenport misunderstood what the hon. member for Edmonton-Strathcona was saying about growth. I know the views of the hon. member for Edmonton-Strathcona; he is for growth. But he is against unlimited growth without a social purpose. That is the difference. He knows about Dennis Meadows and the "Limits of Growth", and how it is completely erroneous in its basic concepts. He knows what the scientists have said about that. He knows what was done by all governments in the world in the International Geophysical Year, 1960-61. Many reserves of the world are supposed to be non-renewable, yet we find they are still growing as the earth changes its forms and its pressures and produces the so-called non-renewable resources. I am not going into details in this regard. I am simply saying that, speaking for this party and, I hope, the great majority of the people of the world, growth is still with us. I am sure that for the next 30 or 40 years growth is going to be more in the form of growing into the utilization of resources with a renewable basis.

● (1750)

I am sure hon. members have heard me say in the House, "Don't worry about energy. There is no shortage of energy. Whenever you get tired of using oil and gas, the farmers will grow it. The farmers of the United States and Canada will grow that energy cheaper and purer than you can get it otherwise out of the earth—no sulphur content." We are not going to do it now. Under the terms of educational practices and policies in Canada, we are not allowed to explore these other ways.

Today in the House of Commons I asked the Minister of Energy, Mines and Resources (Mr. Gillespie) if he had in his hands yet the report put out by Middleton Associates of Toronto. He stood up and said, "Yes, I got that last fall." I got it a year ago last April. There was nothing about the security of the nation in it. It was a good report. It lists all the various types of renewable energies in Canada in which we lead the world. It lists 18 different types of renewable energy with technology in various parts of Canada. In six of those techniques it lays down where it is cheaper, cleaner, and better to use renewable resources rather than the present oil, gas or electricity. That report should not remain a secret from the people.

My second question to the minister today asked if he would make that report available to the public, and would he make it available particularly to provinces and municipalities that only get the stuff that is coming out of our establishment. According to the mandarins in control of Canada, the way to get over this energy difficulty is to put all the emphasis on nuclear power plants. Nuclear power plants are good, but there is a better way that is cheaper and cleaner, such as solar power, wind power, tidal power, and all the heat reserves in the earth stored for our use. Why should all of this knowledge be hidden from the people? It is because our masters have said we have developed the great CANDU nuclear plant. I played a big part in that during the early days of its formation. It is good, but there is no reason to say that is the only alternative.

In conclusion, I would like to say that the hon. member for Edmonton-Strathcona has served this country well by putting forward the idea that we can have a select committee, as we had before according to the British House of Commons system, through which we make direct contact with the people. It is an idea that should be followed. I am not saying there are no other ways, and here I mention the Resources for Tomorrow Conference which we held in 1961. This is a good idea and would put parliament back into a position where it can give advice.

There was a Senate committee in 1957-58. On the basis of the evidence they produced I, as the minister, developed the ARDA legislation, which is ranked by people who study the social sciences as one of the most radical, progressive types of legislation in any part of the world. It has not been used very much, but the principles are there. That came from a group of Senators calling in people to give advice on land use and water use. A select committee could do the same thing.

I have a long list of things I want to talk about, but the hon. member for Edmonton-Strathcona is saying, "Get a select committee; go out and get these ideas; and try to give this country a national purpose so that we do not spend all our time reacting to events." We need a purpose in looking ahead over the next ten or 15 years. You cannot make it too precise, but you can find out from the people of this country the direction in which they want to go. He believes that in this direction there will be growth, but there will be a national purpose and a social purpose for all of us here because no country can grow unless it realizes its resources of manpower and natural resources. It is a part of the whole world. It is not for handouts but for the self-help approach.

I would like to congratulate the hon. member for Edmonton-Strathcona for putting forward a positive, constructive idea. I would like to congratulate the hon. member for Davenport for

having responded with a truly critical analysis that is both positive and negative. This makes very clear the fact that on occasion there can be genuine debate in this House.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in my view what we need in Canada today is to do some thinking about where we are going, and about the kind of society we want. I am not concerned about our parliamentary institutions. I am concerned as to whether we really know what goals we want to achieve. I think we should do some hard thinking here in parliament. I think the people of the country should be encouraged to do their thinking and to add their input to ours. For these reasons I am glad this motion is before us and I am happy to indicate our support.

Mr. Frank Maine (Wellington): Mr. Speaker, like the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), I would like to congratulate the initiator of this motion because it is a very worth-while motion. As a scientist I am concerned about the problems of the future. I have been fighting a battle against those problems since I arrived here in 1974.

It has been mentioned that scientists caused all the problems of the past. They may have caused some of the problems, but they discovered some of the solutions of the past as well. They will also do so in the future. These solutions to problems should be planned as much as possible. To do this, you have to have debate from as wide a base as possible. I am in complete agreement with the context of what the hon. member for Edmonton-Strathcona (Mr. Roche) is trying to accomplish. The question, therefore, is just the method by which it can be done.

The hon. member for Edmonton-Strathcona made reference to Motion No. 13 under the heading "Government Business" which tackles this problem by asking that a special joint committee be appointed to consider and report upon the document entitled "The Way Ahead". The only difference between the motion of the Minister of Finance (Mr. Macdonald) and the motion presented by the hon. member for Edmonton-Strathcona is that, in his interpretation, his motion is more widespread and all-encompassing. This is where I take a different interpretation. In the economic and social reference contained in the motion by the Minister of Finance these other areas he has mentioned are encompassed. It may not be spelled out in detail, but you really cannot talk about scientific development without keeping a very close eye on both the social consequences and the economic parameters. The economic restraints we live with today are very real, and will be in the future.

I was very impressed by the last budget which the Minister of Finance tabled which indicated that several things were done in the scientific area. Every one of them was done with very close regard to the economic aspects of it. In all the measures that were brought down in the budget, we saw there was reference to how much money these entailed and how these compared to what happened in that past. In the words of the motion by the Minister of Finance, the narrow context of social and economic parameters really encompasses all the wider ones. Therefore I see no difference between—

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CRIMINAL LAW AMENDMENT ACT, 1977

AMENDMENTS TO CRIMINAL CODE

On the Order:

Second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-51, an act to amend the Criminal Code, the Customs Tariff, the Parole Act, the Penitentiary Act and the Prisons and Reformatories Act—The Minister of Justice.

Mr. Speaker: Order, please. Further to agreement made earlier this day with regard to the point of order with reference to the gun control bill, Bill C-51, I recognize the hon. member for New Westminster (Mr. Leggatt).

Mr. Leggatt: Mr. Speaker, I will not take too much of the time of the House. Before commencing my argument with respect to the matter, I wish to refer to some of the other efforts that have been made in the House with regard to this and similar legislation to achieve some kind of severence in subject matter. What I want to deal with initially is efforts that have been made in the past concerning similar legislation and attempts in the past to sever omnibus legislation into separate pieces of legislation. Those previous efforts failed.

I refer specifically to the efforts of the hon. member for Calgary North (Mr. Woolliams) in this House, and I think Your Honour was in the chair at that time, when he attempted to apply Standing Order 46 to introduce an amendment to the bill to have it referred back to committee to consider the procedure under which it was initially introduced.

There have been other efforts. The hon. member for Halifax-East Hants (Mr. McCleave) made a similar attempt to have a bill directed to different committees to deal with different aspects. Again in that instance, it failed.

My initial submission is that on the precedents, which no doubt the Solicitor General (Mr. Fox) will raise in opposition to this motion, the relevant rule is Standing Order 47 which reads as follows:

A motion to refer a bill, resolution or any question to a Committee of the Whole, or any Standing or Special Committee, shall preclude all amendment of the main question.

In each case there was an attempt to amend the main question. Those applications failed on that ground. I want to impress upon Your Honour that the thrust of my argument does not deal with the amendment to the legislation. It is not founded on the arguments that were presented previously. It is founded on a different principle. That principle is provided under Standing Order 51 which reads as follows:

Whenever Mr. Speaker is of the opinion that a motion offered to the House is contrary to the rules and privileges of Parliament, he shall apprise the House thereof immediately, before putting the question thereon, and quote the Standing Order or authority applicable to the case.

The word I want to emphasize in this Standing Order is the word "privileges". I am not arguing that Bill C-51 was introduced contrary to the rules. It is clearly within the Standing Orders. What I argue is that it violates the essential and ancient privileges of this House and the ancient privileges of British parliamentary tradition.

Those privileges are set forth succinctly over and over again in rulings that have been made in other parliaments and in this parliament saying members should not be placed in the position of having to vote aye on a motion when they would wish to vote nay. That may sound like an inconsistency, but in a sense a motion can betray the wishes of an hon. member to his constituents. In other words, if an hon. member's vote can be misrepresented to his constituency, it is an ancient tradition of the House that the member of parliament should be given an opportunity to register his vote clearly in terms of the issue in question.

● (2010)

As authority for that proposition I would like to refer Your Honour to the decision rendered in the British House of Commons on November 13, 1912. I will refer to it again in the course of my argument in terms of a ruling made by a previous Speaker of this House during the flag debate. This is what Mr. Speaker of the British House said on November 13, 1912, with regard to a similar point of order:

—the rule of course is if any hon. member feels embarrassed on voting on a resolution that the Chair shall revise the resolution in order that the member may, if he wishes to vote "Aye" on the one part and "No" on the other not be embarrassed by having to vote "Aye" or "No" on the whole of it—

In essence, that is the problem that all members of the House face with regard to Bill C-51.

Now I would like to go back to Bill C-51 because there has to be some history given to understand why so many members of the House feel so strongly about being placed in the invidious position of having their vote on that bill misinterpreted.

The history of this bill is that on the wiretapping section, a minority parliament, in a very abrasive debate, finally resolved itself, came to a position and passed the wiretap legislation, which was at that time a very high profile matter in the minds of the public. Subsequent to that we had the question of gun control. I do not think there is any member of the House who cannot say he has had literally hundreds and hundreds of letters on the subject of gun control. It is one of the major issues in the country, and it is something that we cannot ignore in this place in terms of the votes of members on such a piece of legislation.

The problem is that when this bill comes to second reading and members of parliament are asked how they voted on the gun control bill, they are in the incredible position of having to say, "Well, there was wiretapping; there were penitentiary provisions; there was gun control, and the provisions on dangerous offenders". How do you explain that, by virtue of that long standing British tradition that a member should not be required to vote aye when he wishes to vote nay, and be in the invidious position of not being able to take a clear stand on a public issue that is so distinct? I am not suggesting that we sever every piece of legislation. What I am saying is that Bill C-51 is like putting old age pensions and the Mackenzie Valley pipeline into the same bill and asking members of parliament to vote on it.

Some hon. Members: Hear, hear!

Mr. Leggatt: That is clearly wrong in terms of British parliamentary tradition. It is even wrong in terms of the American parliamentary tradition to which we are not as bound. But let us look at the American experience.

If we were to discuss this with an American senator, I suggest it would be inconceivable for him to have before him two such provisions such as wiretapping and gun control and to be told that he cannot vote separately on those items on second reading of the bill or on the principle of the bill, because the essential principles behind wiretapping and gun control are completely different and completely unrelated, yet members of parliament are placed in the invidious position of having to make one decision on both these matters. We are now faced with having to make a Hobson's choice. Some of us may agree with both provisions, some with one or the other, but we are placed in the position of having Hobson's choice in terms of the public perception of where their members of parliament stand.

The public is entitled, according to the British parliamentary tradition, to know where their member stands by virtue of the way he votes in the House, and he cannot do that on Bill C-51 because the government has, very shrewdly, joined these very inconsistent provisions, particularly because of the high profile these two subjects have in the minds of the public.

Now I would like to refer Your Honour to *Hansard* of June 15, 1964. That was the time of the flag debate in the House. A motion was presented by the government under government orders. I will not read the whole motion, but in essence it said that there shall be a new flag for Canada. That flag is the one we now have. It also said there shall be a second flag for Canada, a red ensign, which will be used on certain other occasions. There was a great dispute in the House because there was a variety of opinions about the flag.

It was a very emotional issue. Some members wanted only the red ensign, some wanted only the flag we have now, and

there were some members who thought the motion was all right. It left members in the invidious position of having to say either yea and nay to this motion and finding it impossible to explain the position they had taken in the House to their constituents.

At that time the hon. member for Winnipeg North Centre (Mr. Knowles) raised a point of order, and I will paraphrase some of the argument he put forward. He also drew attention to Standing Order 51. I will not repeat it, but it does provide that when the Speaker is of the opinion that a motion offered is contrary to the privileges of parliament, he can take the appropriate action.

Again I say that the form of this bill leaves us in an impossible position and violates the ancient rights of parliament.

Perhaps I could deal briefly with two authorities. One is May's Parliamentary Practice, thirteenth edition, and I will quote from page 270. The reason I quote this particular authority is in case Your Honour may believe that a bill is something entirely different from a motion. The argument made in May covers when we are dealing with a separate subject. May makes it very clear. He states:

Every matter is determined in both Houses upon questions put by the Speaker upon a motion made by a member, and resolved in the affirmative or negative, as the case may be.

We are dealing with a motion in exactly the same way as we were dealing with a motion during the Canadian flag debate.

I would like to refer also to page 297 of Bourinot's fourth edition where the following is stated:

"Whenever the speaker is of opinion that a motion offered to the House is contrary to the rules and privileges of parliament—

Again I emphasize the phrase "privileges of parliament"

—he shall apprise the House thereof immediately, before putting the question thereon, and quote the rule or authority applicable to the case".

What I am asking Your Honour to consider seriously is that, before the House deals with this bill in second reading debate, you should make a ruling on whether the bill in its present form offends the ancient privileges of parliament, so that members can have an opportunity not to confuse their aye or nay on such a fundamentally important question as either gun control or wiretapping.

In the precedent on which I rely quite heavily, the precedent of the flag debate, a great deal of argument went back and forth concerning the complication of the motion, but when it was all over, Mr. Speaker Macnaughton, having considered the arguments pro and con, came to a conclusion which, I submit to Your Honour, is the fair and appropriate conclusion to reach in these circumstances. He said this, and I quote from page 4306:

Taking into consideration the references and quotations just cited, and more especially the view expressed by the Speaker of the British house on November 13, 1912, where he said:

—the rule of course is if any honourable member feels embarrassed on voting on a resolution that the Chair shall revise the resolution in order that the member may, if he wishes to vote 'Aye' on the one part and 'No' on the other not be embassassed by having to vote 'Aye' or 'No' on the whole of it,—

[Mr. Leggatt.]

—I must come to the conclusion that the motion before the house contains two propositions, and since strong objections have been made to the effect that these two propositions should not be considered together, it is my duty to divide them as follows:

● (2020)

And he did, and he called for separate votes on the question of the new flag or the Red Ensign.

I submit that we are again dealing with exactly the same situation in this House. Part of the reason for the ruling in 1964 on the flag debate dealt with the history of the debate, how it became emotionally charged and how people out in the country took stands pro and con. Therefore members of parliament were left trying to reflect in their own minds, represent their constituents and have a clear vote on the subject so that their constituents would not be confused as to where they stood in this place.

I submit that combining gun control and wiretapping in the same bill leaves us in exactly the same position as where we were in 1964. I ask hon. members to look at their mail. I ask them to consider how their constituents stand on these two very important and sometimes emotional issues. I question whether it is fair under British parliamentary practice that hon. members in this House should be asked to vote on such a combined question, leaving them in the ambiguous position of trying desperately to explain whether they were for or against. It is inconsistent to place these two things in the same bill, particularly in light of the history of the bill.

Mr. Speaker Macnaughton went on to say the following:

Therefore, unless there should be an appeal to the house from my decision, and my decision is not sustained, it is my intention to put the question on the first part of the motion as divided.

I suggest that the question of gun control should be severed from the bill and that Your Honour has full power under the rules to rule that on second reading of Bill C-51 the Chair can call the question on part one of the motion of the Minister of Justice (Mr. Basford), gun control, and then call a separate question on the remainder of the bill.

There is authority in the rules. Precedents have been set in English parliamentary practice, but I think it most important that common sense should prevail in these circumstances. The plain history of this legislation and the issues which have been debated across the country are such that common sense should also prevail in this House, and members of parliament should be given an opportunity to vote separately on these vital and important questions.

Mr. Speaker: Before going further, I should indicate to the hon. member and to others who want to participate in the discussion that the Chair would not have great difficulty, assuming that the cases were identical or very close to it, or if we were dealing with a resolution like the flag resolution which contained within its terms mutually contradictory or, if not contradictory, at least duplicate statements, so that the Chair could be persuaded that a member was put into the invidious position of having to vote for a resolution which contained two parts, wanting to vote in favour of one and against the other.

That reasoning is sound as far as it goes, but to my knowledge it has not been carried over to a resolution which simply gives second reading and reference to a committee of a bill which contains several parts, the theory being, first of all, that the motion is not in its own terms duplicate because the motion does one thing, although the bill may do several.

The second part of the reasoning against it is that the member has the opportunity in committee, presumably, to vote against or amend those parts which are distasteful to him, and similarly at the report stage to take some steps to bring the House to a vote with respect to those distasteful or disagreeable portions of the bill.

Therefore, the situations are quite different. However, it would be helpful if there were some extension of the flag resolution reasoning across to the second reading motion reasoning that we have traditionally followed, and if the hon. member has anything to add to what he has already said, I would be glad to hear him.

Mr. Leggatt: Thank you, Mr. Speaker, for inviting me to respond to your remarks. The point about the distinction between a resolution and a motion is, I submit, met by the principle contained within the original British parliamentary practice. The argument about this being a bill rather than a resolution is, I admit, a difficult one to face, but it still does not deal with the principle which has been enshrined in British parliamentary practice. I still say that the mere fact that it is a bill should not violate that fundamental principle, and if we need to set a precedent here and now, which Your Honour has full authority to do, and if we need to present for the first time this principle in this House dealing with a bill, it seems to me that we will go a long way toward improving the quality of this place. That is the first thing. I admit I could not find a precedent dealing with a bill specifically, but it seems to me that the principle is so well enshrined in parliamentary practice that Your Honour should apply it.

Mr. Baker (Grenville-Carleton): Mr. Speaker, on the last point Your Honour raised I have the same difficulty. I did the same search as the hon. member for New Westminster (Mr. Leggatt). I dropped my line over the same boat and came up with the same empty hook, as the hon. member described it. I confess that at the outset of my argument.

However, I think it is important to note that Bill C-51 does not deal merely with firearms control and electronic surveillance; it deals with dangerous offenders, custody, release of inmates and revisions to the Prisons and Reformatories Act. It deals not just with amendments to the Criminal Code of Canada but to other statutes as well.

With regard to the position of members of parliament and how they must deal with constituents and matters about which there might be conflicting opinions, I think the House should consider carefully what the hon. member for New Westminster has said. When a member has to vote aye on a bill when he really means nay, that has an effect on the business of the House. The practice of lumping bills together, which has developed in the Canadian House of Commons, has been a long one. It provokes hon. members to speak and to explain their positions to their constituents, which they might not otherwise have to do.

Whether the practice is legal is one thing, but I think the President of the Privy Council (Mr. MacEachen) and his colleagues in the ministry ought to realize the effect this has upon private members in terms of the business of the House.

I have looked at some precedents regarding this practice. I would like to read into the record something which was not read into the record by the hon. member for New Westminster. Perhaps it was not read into the record because of the modesty and the shy and retiring nature of the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Benjamin: Shy, but not retiring.

Mr. Baker (Grenville-Carleton): In the *Journals* of the House of Commons for Tuesday, January 26, 1971, there is a reference to this argument being raised in connection with a bill dealing with the organization of the government. It reorganized about seven departments of government and seven statutes, some of which might appeal to some members of parliament and others which might not appeal to the same group and so on. We had this horrible mixture of conflicting approaches to a particular bill, at least in the mind of any one member who might be in favour of one thing and against another.

● (2030)

At page 284 of the *Journals* of January 26, 1971, the hon. member for Winnipeg North Centre is quoted as saying:

"This procedure places the Members of the House in the situation of being faced with a resolution which deals with eight different matters. Naturally there are eight different principles involved under ordinary circumstances. As far as I can see from casual examination, most of these things are matters which perhaps everyone in the committee would agree with. When we hear more about them, that may not be so. In any event, it might very well be that amongst those eight amendments is one with which we would disagree violently and therefore feel called upon to vote against the resolution or particularly, after we have the bill and have the information, to vote against the bill because of that one matter."

It really puts this parliament in an invidious position.

I have examined the precedents referred to in this particular extract from the *Journals*—they go back a long way—and I regret to say that the precedent of this House seems to be that this practice is "acceptable" in the parliamentary sense. I think the best you can say about the practice is that it is legal. In terms of the operation of this House it is not reprehensible, it is not immoral, but it is certainly bad.

Mr. Ellis: It is cunning.

Mr. Baker (Grenville-Carleton): If I had a suspicious mind I would be tempted to adopt the words of the deputy opposition whip, that it smacks of some form of cunning in the approach to the legislative process.

I hope that representations will be made by those in charge of drafting legislation to the lions in the Department of Justice that they ought to carefully consider what they are doing, (a)

to the legislative process in the House of Commons, and (b) to the understanding of the legislative process by the general public.

In respect of this bill the general public deluged us with representations pertaining to firearms—and they may do so again—but generally ignored the equally important provisions on electronic surveillance, dangerous offenders, and custody and release of inmates. I dare say members would not be stoop shouldered from the weight of correspondence received in regard to the rest of the legislation. I think this practice is so bad that it misrepresents to the public the intent and purpose of parliament. If parliament is to remain relevant, if the actions of members of parliament are to be understood, and if members are to be held accountable, then I think this practice ought not to be followed.

I repeat, Mr. Speaker, that omnibus bills do nothing but prolong debate in the House. In this day and age of communications being almost instant between constituents and members of parliament, the member has somehow to explain himself and the position he takes. The only way he can do that logically is to answer the mail he receives which comes from a few people who question his actions, or else the only place he can do it is in this House where it is put on the record.

We are dealing with the whole attitude of the public toward parliament. A line has to be drawn somewhere and a study made of what is happening. It may be that in your summation of the position, and in your findings with respect to the arguments put to you, that you can commence the drawing of the line between what is appropriate for an omnibus bill and what is not appropriate. It may be that you do not feel you can do it here, but I hope you can. It is important that the House of Commons start—and the public will follow in terms of knowledge—to understand that there is a limit to the use of the omnibus bill, the lumping together of all kinds of things that may be related but often may not be related at all. That leads to such confusion that only a Philadelphia lawyer could understand the bill to begin with, and members of parliament have difficulty in establishing clearly and succinctly for the public what their position is, and ensuring that the positions taken in the House are not misconstrued.

I am not going to repeat the precedents. I think the hon. member for New Westminster has done that. I must say in conclusion, however, that if the practice is to be found legal in the sense that governments can have all they want with respect to omnibus bills, then this practice, which is continuing and growing, borders on the irresponsible. It could very well bring this House into disrepute and make the life of members, in terms of how they vote, untenable and, worst of all, unexplainable.

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, I do not intend to speak at length on this matter. I listened with a lot of interest to the hon. member for New Westminister (Mr. Leggatt) and the hon. member for Grenville-Carleton (Mr. Baker). If I did understand the argument of the hon. member for New Westminster, he suggested that the procedure adopted in this case by the government in relation to Bill C-51 was clearly within the rules of the House but he was objecting on the grounds of the privileges of the House. As to the hon. member for Grenville-Carleton, in his inimitable and usual style he said he was confused—which did not surprise government members—and did not understand the legislation put forward by the government. In brief, Mr. Speaker, the hon. member for Grenville-Carleton nevertheless clearly stated, at least it would seem, that this practice was legal and sanctioned by the customs of this House, and in fact we all know that the practice of introducing omnibus bills in the House is not a recent one, particularly in relation to the Criminal Code to which the hon. member for New Westminster referred, who did try to limit his remarks to the amendments in Bill C-51 dealing with the control of firearms and the amendments dealing with wire-tapping.

[Mr. Baker (Grenville-Carleton).]

So, Mr. Speaker, it is not a new area in which the practice is to have omnibus bills, and the reason for that is quite simple: the Criminal Code, as we all know, includes a great variety of provisions on a great variety of subjects. If one wanted to push the argument of my hon. colleague to the extreme a separate bill would have to be introduced every time we want to touch any section of the Criminal Code if the amendments did not all deal with the same subjects.

I will give a few examples, Mr. Speaker, with respect to omnibus bills. First, in 1969, the government introduced Bill C-150 amending the Criminal Code with respect to firearms, lotteries, abortions and alcohol abuse. In 1975, we had Bill C-71 which also included a whole series of provisions about summary conviction, rape, appeal procedures and release on bail. Moreover it is our usual practice not only in criminal matters but also quite frequent in non criminal matters to use the same procedure, as was done during this session for Bills C-19, C-27, C-48 and C-52.

However, I would like to say a few words in answer to the point raised by the hon. member for New Westminster who said that hon. members would not have the opportunity to vote on each provision itself, but would have to vote on the provisions taken as a whole. On this point, I would only refer hon. members to two paragraphs of the debate of January, 26, 1971 when your predecessor had to make a decision on an issue which was not identical but similar matter. I quote from page 2768 of *Hansard* for January 26, 1971:

● (2040)

[*English*]

Perhaps hon. members might have wanted to say the same thing about the bill now before the House. There is no question, without going further into the details, that this is a long established practice. We have had this type of omnibus bill before the House on many occasions.

[*Translation*]

Of course the Chair goes on and says a little further:

[*English*]

The House must note that there is a third reading stage of a bill. When a bill comes to the House for third reading—

[*Translation*]

And I realize the procedure has changed somewhat since then.

[*English*]

—there is not one clause or one part of the bill that cannot be brought into question by way of an amendment proposing that the particular clause or section be referred back to committee. I think this gives every hon. member an opportunity to vote either for or against, or to express his views in the House either for or against, a particular clause of the bill, and to do so by way of a recorded vote. Accordingly there still is a measure of protection afforded hon. members.

[*Translation*]

To sum up, Mr. Speaker, I would say there must be a number of precedents particularly in matters concerning criminal law. Moreover, we do find a single theme throughout this bill since its real purpose is to offer Canadian society better protection against violent offenders and other criminals.

To conclude, Mr. Speaker, as we can see in the quotation I just made from the official report, hon. members will have the opportunity in committee and at the third reading stage to move an amendments and to vote for or against the proposals of the bill. I say, Mr. Speaker, that the bill has been proposed according to the Standing Orders of the House. There is no abuse of the privileges of hon. members of the House.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I recognize that the question you must decide is not an easy one, and I also recognize the validity of the points already raised by the Chair in response to the hon. member for New Westminster (Mr. Leggatt). However, one or two other things can be said, to which I hope Your Honour will give consideration.

First, I suggest that the argument just now advanced by the Solicitor General (Mr. Fox), which was similar to the point Your Honour made about second reading, does meet the point. The right, after second reading, either in committee of the whole or in a standing committee to vote against some clause of the bill, does not alter the fact that such a vote is separate and distinct from a vote on second reading. On the second reading vote, the hon. member has only one vote to cast on the whole bill and all that is in it. The same applies at third reading.

The Solicitor General suggested that at third reading a member could move an amendment to refer the bill back to committee for the consideration of any clause thereof, and thus put his position on record with respect to any such clause. But on the assumption that all such amendments are defeated, we are left with the third reading vote on the bill. The member casts one vote for or against all the propositions contained in the bill, for the individual member has only one vote. So I think that side of the argument is not cut and dried.

However, since Your Honour is responsible for procedure you must decide whether this argument applies to the bill in the same way as it applied to a resolution. I should like to read a few sentences from May's 19th edition, at page 380. I have read the same things in earlier editions, and they are also to be found somewhere in Beauchesne. May says:

The ancient rule that when a complicated question is proposed to the House, the House may order such question to be divided, has been variously interpreted at different periods. Originally the division of such a question appears to have required an order of the House, and in 1770 a motion 'That it is the rule of this House, that a complicated question which prevents any member from giving his free assent or dissent to any part thereof ought, if required, to be divided,' was negatived on a division . . . As late as 1883—

We are coming to modern times:

—it was generally held that an individual member had no right to insist upon the division of a complicated question. In 1888, however, the Speaker ruled that two propositions which were then before the House in one motion could be taken separately if any member—

In other words, any one member:

—objected to their being taken together . . .

That was the ruling of 1888. I am reading from May's 19th edition, the latest edition.

Mr. Baker (Grenville-Carleton): It still has the dust covers on it.

Mr. Knowles (Winnipeg North Centre): Yes. I continue:

. . . Although this ruling does not appear to have been based on any previous decision, it has since remained unchallenged. A complicated question can, however, only be divided if each part is capable of standing on its own.

The practice at present seems to be clear. At one time it was done by a vote. Then, at one point the Speaker seemed to make the decision. Then he said that a member cannot require the splitting of a proposition. Finally he said that if one member wants a division because of a complicated question, division of the proposal into its separate parts has to take place.

Having said all this and having mentioned ancient dates, may I point out that there is a footnote (a) which applies to the sentence ending "it has since remained unchallenged." That footnote (a) at the bottom of the page, in print so tiny I can hardly read it, seems to refer to things which have happened as late as 1968 and 1969. There is a reference to page 1313 concerning amendments to bills.

At Westminster the practice has become established. May contains such a reference with respect to bills. I know that in our records there is no case of the Speaker ordering a bill to be split because of two different propositions contained in that bill, but there is Mr. Speaker Macnaughton's ruling of 1964, when, as my hon. friend said, I raised a point of order, that the flag motion ought to be split.

There are also precedents that are relevant or parallel. They have arisen since Your Honour took the Chair. I say this since on two or three or occasions Your Honour has ordered changes in bills. There was that famous bill I always like to mention about the pay of members of parliament which was amended a certain way in committee, with the approval of the government. Your Honour ordered that bill to be sent back. Then we had one or two supply bills where, because the rules had not been adhered to, Your Honour ordered changes. Your Honour has ordered things like that to be done. I therefore suggest that the question of whether Your Honour has the right to look at a bill and order that something ought to be done to it has been established by no less distinguished a person than the present occupant of the chair.

If you couple that with the decision of Mr. Speaker Macnaughton, a decision the government did not like because it seemed to challenge its right to put down any motion it wanted, the result, I suggest, is that there seems to be support for the proposition, which is still in vogue at Westminster and which May's 19th edition refers to, that no member, not even one, should be asked to vote on a question which is so complicated that, in order to say yes to something he likes in the bill, he must also say yes to something he does not like in it, and vice-versa. I think, therefore, that Your Honour having made these other decisions about bills being contrary to the rules and privileges of the House, you should consider very carefully whether this bill with these two completely disparate subjects in it does not contravene our rights and privileges, in which case Your Honour ought to order, or at least suggest, that it be split so that there can be two separate bills enabling hon. members to vote on the different subjects.

● (2050)

Mr. Benjamin: Mr. Speaker, as an amateur in this field I hesitate to rise, but having long established my amateur standing I should like to say one or two words on this point of order as an amateur backbencher or as a backbencher who is an amateur.

My hon. friend from Winnipeg North Centre said this was a mixture of complicated questions. The hon. member for Ottawa-Carleton (Mrs. Pigott) noted that the bill seeks to combine measures dealing with wire tapping, gun control, the customs tariff, the Parole Act, the Penitentiaries Act, and the Prisons and Reformatories Act. I do not know how the customs tariff got in the middle there, but it is a mixture of complicated questions, as my hon. friend from Winnipeg North Centre said.

As I understand it, the House considers, on second reading, the principle of the measure before it. The vote on second reading is directed to the principle involved. I gather, however, that members are now being asked to vote for or against two measures in particular which, in principle, are entirely different.

In relation to gun control it seems to me we are dealing with the question of whether citizens may own and bear arms and, if so, under what conditions, whereas the provisions related to wire tapping concern civil rights and civil liberties in terms of the invasion of privacy, watching and besetting, and so on. Some members may agree with the proposals concerning gun control while disagreeing with the way in which citizens rights are dealt with in the area of wire tapping and the ensurance of privacy. On the other hand, certain members may disagree with the principle advanced with respect to gun control measures while agreeing with that part of the bill which involves the rights of citizens with respect to privacy.

It seems to me we are being asked to vote on two quite opposite principles. One has to do with the privileges of citizens, and the other concerns the fundamental rights of citizens. I suspect that opinions in the House on these two measures vary a great deal, to say nothing of what they might

[Mr. Knowles (Winnipeg North Centre).]

be about the other five portions of the bill. I hope Your Honour will allow members to vote separately at least on the principles of the two major items to which I have referred, namely, gun control and wire tapping. It seems to me there is such a wide difference between the principles involved in these two measures that it is unfair to ask us to vote "all or nothing" on second reading.

If I may add to what my hon. friend said, I should like to touch on another aspect—it occurred to me when the Solicitor General (Mr. Fox) mentioned third reading. No matter what happens to amendments in committee we can still be faced with voting "all or nothing" on third reading. Surely that is not good enough. I myself would be agreeable to the bill being divided into seven parts, although I admit there may be grounds for combining three or four into one, since they affect only the privileges of our citizens. If people are dangerous offenders, then they obviously lost some of the rights the rest of us enjoy when they became dangerous offenders. Others lost some of their rights under the provisions of the Parole Act or under the other acts to which the hon. member for Grenville-Carleton referred. This reinforces my main argument. To ask hon. members to vote "all or nothing" on a matter which affects the privileges of citizens in conjunction with a principle which affects the rights of citizens is unacceptable, because the two principles are incompatible. I hope Your Honour will rule that the bill should be separated, at least in the areas of gun control and wire tapping, so that we may vote on these issues separately.

Mr. Goodale: Mr. Speaker, I do not intend to belabour the points which have been made in the course of this discussion. I think it has been an interesting and worth-while discussion about an important point. I simply wish to underline two considerations which have been advanced. One, of course, is the distinction which Your Honour has drawn between the rules relating to resolutions and the rules relating to legislation. This is a valid distinction and one which serves to support our proceeding with Bill C-51 as it presently stands. Moreover, it tends to minimize the value of the precedents which have been cited to support the argument put forward by the hon. member for New Westminster (Mr. Leggatt) and others.

Further, I should like to underline the suggestion made by the House leader for the official opposition who indicated that this approach to legislation is legal and not improper, and that while he might wish to complain about omnibus bills in specific cases the practice was an acceptable one and well established and recognized under our rules.

Mr. Baker (Grenville-Carleton): Not acceptable, but recognized.

Mr. Goodale: I would want to check that phrase. I believe the word "acceptable" was used, but I shall stand to be corrected when I see *Hansard* tomorrow.

What members of the NDP are complaining is the complexity of legislation. This is a problem which faces all mem-

bers of the House. It is unfortunate, but we live in a complex and complicated world—

Mr. Benjamin: But why make it worse?

Mr. Goodale: Sometimes parliament must respond accordingly. I suggest that legislation in this day and age sometimes must fall into the realm of things that are complicated. Our parliamentary process, well established as it is through years of tradition, as a "total process" is designed to cope with this complexity. As the Solicitor General (Mr. Fox) has pointed out, we follow a very long, careful and reasoned deliberative process when dealing with legislation. This is a process which is distinctly different from the process which is designed to deal with resolutions in the House of Commons; if I may use shorthand, that is a shorter and much simpler process.

● (2100)

In dealing with legislation, the process that this House goes through, I think we would all agree, is time consuming, for a reason which basically allows members of the House to examine legislation very carefully and to make sure that their views and opinions are put on the record. We have the second reading stage where matters of principle are considered; we have the committee stage where legislation is considered clause by clause and votes are taken clause by clause; we have the report stage where it is possible again for consideration to be given to legislation clause by clause; and finally we have third reading debate, where positions can once again be stated. All of that must take place before making a final decision and taking a vote of the House. That is the procedure that must be followed by the House of Commons when it deals with legislation.

That procedure is distinctly different from the process and the steps involved in dealing with resolutions. That is one of the reasons why there may well be the distinction, to which Your Honour referred earlier this evening. A member might be in a position to complain about inconsistent or distinctly different parts of a resolution and to argue that those parts be separated. I do not think that argument can be valid or can stand in the case of legislation, as opposed to a resolution, for a number of reasons, one reason being the different process which this House itself follows in dealing with these two distinctly different things. The system, rules, and procedures of this institution already guard against the matter complained of tonight because of the step by step deliberative process of the House of Commons when dealing with legislation; and it was admitted earlier this evening by the hon. member for New Westminster that the bill itself is in fact within the rules of the House of Commons.

The propriety of omnibus bills is clearly established, and I think is accepted in our practices and our precedents. On that basis I think the objections which have been raised by the hon. member for New Westminster cannot stand, and that it is quite proper and within our practices and privileges to continue with Bill C-51 as it stands.

Mr. Speaker: Order, please. Is the hon. member for New Westminster seeking to clarify a matter?

Mr. Leggatt: Yes, Mr. Speaker. What I wish to clarify is this. Your Honour put two propositions to me at the conclusion of my remarks. One had to do with the difference between a resolution and a bill. The second proposition you put to me was with regard to the opportunity that a member might have following second reading vote to clarify the situation either in committee or at third reading. In answer to the second reservation which Your Honour may have about this question, in order to clarify one's position in committee there would have to be 264 members on the committee.

The present procedure is that it is not the committee of the whole which will consider this bill, which means that members will not have the opportunity to explain in a procedural way the position that they would take in principle on this particular piece of legislation. In other words, Mr. Speaker, they are locked into the same inconsistency that exists on second reading and on third reading, and thus the procedure of this House does not resolve the dilemma that members of parliament are faced with in terms of the innate inconsistency that exists in the motion before the House.

The second question that was raised by the Solicitor General (Mr. Fox) was whether members were somewhat confused. It is not the members who are confused; it is the attempt of members to stop confusion of the public and to allow the public to be properly informed about what actually happens in this House in terms of the votes and proceedings. I submit Your Honour has ample authority under the terms of British precedents to establish a very worth-while precedent here in giving members the opportunity of voting separately on a bill which has such a clear inconsistency in principle. It is impossible to vote one way only on the principle of the bill before the House.

Mr. Speaker: Order, please. A point of order having been raised by the hon. member for New Westminster (Mr. Leggatt) earlier in the day, it was agreed that at a convenient time, which turned out to be at eight o'clock this evening, time would be taken to hear argument on both sides. That has now been done, and it has interrupted the House's consideration of another matter to which we will now return.

I should indicate, as would be expected, that on a matter of some importance I will take some time to consider the argument, to examine the precedents carefully, and attempt to rule on the matter before the bill is again before the House. The matter which was under discussion when private members' hour was called at five o'clock this afternoon was, I believe, Bill C-49, an act to amend the Canada Pension Plan. If I understand correctly, the hon. member for Winnipeg North Centre (Mr. Knowles) had the floor.

Canada Pension Plan

CANADA PENSION PLAN

AMENDMENT TO EXTEND DEFINITIONS

The House resumed consideration of the motion of Mr. MacEachen (for the Minister of National Health and Welfare) that Bill C-49, to amend the Canada Pension Plan, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when the debate on the second reading of Bill C-49 was interrupted at five o'clock, I had indicated our readiness to support the bill because it takes two very timid steps in the right direction. The direction, of course, is to recognize the place of women who work in the home. My contention is that that place should be fully recognized, not just partially as is proposed by this bill.

We accept the splitting of credits of the two spouses for Canada Pension Plan purposes when there is marriage breakdown, and we accept the idea that a woman—or a man, but in most cases it is a woman—who stays home from work to raise children should not be penalized in terms of her Canada Pension Plan benefits because of that activity. I have already suggested that I think there is a better, more universal way to provide the equivalent of Canada Pension Plan benefits for those who have years when they do not contribute. I need not spell that out further tonight because I indicated the idea I had in mind when I spoke this afternoon, and I hope the minister and his department will give serious consideration to it. If it works out, as so often happens, that it takes a few years, five or ten, to put something like that into effect, I trust that those who are here today will remember when they first heard the idea proposed.

When debate was interrupted at five o'clock, I was proceeding to say a few things in reply to the remarks of the hon. member for Hamilton West (Mr. Alexander). He had taken offence at the reference in the remarks of the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. McRae) to the non-concurrence of the government of Ontario in the proposed amendment which would allow mothers to stay home to raise their children and not lose their pension credits. The defence the hon. member for Hamilton West put up was that Ontario wants to look at the whole question of pensions and pension funding. My good friend from Hamilton launched into broad, general statements to the effect that the whole nation is concerned about what is happening to our pension plans, that everybody wants to get these things sorted out, and so on.

I suggest that the only people who are concerned in the terms indicated by the hon. member for Hamilton West are those who make money out of pension plans—the insurance companies, the Colin Browns, the people who support Geoffrey Calvert, those who see pension plans as a means of making money. Most of us see pension plans as a way of determining that the older people in our society will get their share of the wealth that society produces in any decade or in any year.

[Mr. Speaker.]

• (2110)

I know of no subject that is confused by figures so much as is the question of the funding of pension plans. When persons are pensioners and live on those pensions, they are not living on food, clothing and services that they saved when they were working. They are living on food, clothing and services that are being produced right then. What pension plans, pension accounts, pension figures and all the rest of it do is simply to arrive at a calculation as to how much a person shall get in his retirement years. These opponents of indexing are telling us that a few years down the road there will be pensions twice as much as are being paid now, and that that will break the system. When I came to this place, the old age pension was $20 a month.

Mr. Abbott: That was the nineteenth century, though.

Mr. Knowles (Winnipeg North Centre): No, it was in this century.

An hon. Member: Just barely. Anyway, it was a Liberal government which introduced old age pensions.

An hon. Member: It was the minister's father.

Mr. Knowles (Winnipeg North Centre): Oh no! But leave his dad alone because his dad is on a judge's pension.

If at that time I had suggested a pension of $100 a month or $140 a month, as it is now, members of that day would have said that would break the economy. We have now got more than $140 as the basic pension paid to everyone who is 65 years of age and over, and I submit we have a much better economy than we had then.

When I came here, the average wages for industrial workers were in the $2,000 to $3,000 bracket. If anyone had said then that 30-odd years later the average was going to be around $10,000 or $12,000 a year, these same people would have said that that would break the economy.

When I came here, members of parliament were paid $4,000 a year and no expense allowance. If anyone had said then that 30-odd years later we would be getting in pay and allowances over $36,000 a year—nine times as much—persons would have said then that that would break the economy.

Mr. Speaker, 30 years from now these figures are going to be ancient history. Wages are going to be higher; probably the indemnities of members of parliament, despite my opposition, are going to be higher; and pensions are going to be higher. I just hope that they will be higher in the same proportion. That is what the indexing of pensions is all about—making sure that as other incomes go up the share of the wealth we produce, which is allocated to senior citizens, will also go up. To say we cannot afford it or to say that it will break the system is not to pay any attention to the realities of the pension situation.

If we can afford today to devote a certain portion of the goods and services that are produced in this decade to the education of children, to family allowances, a certain portion to health and a certain portion to the retirement of senior

citizens, we can do it ten years from now or 20 years from now or 30 years from now, even if that portion is in many more dollars. If wages have doubled and if costs have doubled, I hope that pensions will have doubled as well.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): What seems to bother the Colin Browns and the Geoffrey Calverts is that indexing seems to guarantee that the pensioners will continue to get a share of the wealth produced that is commensurate with the capacity of society at that day. Let us not be confused by these figures or by these assertions that we will go broke. Let us not be confused by those who say we are putting an unnecessary burden on our children and our grandchildren. We are simply saying that tomorrow's generation will be human beings, as we are, and will do the same thing that this generation is doing. We will decide what portion of the wealth we produce is to go to those who are working, what portion is to go to the children, and what portion is to go to our older people.

I am immensely proud of the progress we have made in this field since the day I came here, which the Minister of Consumer and Corporate Affairs (Mr. Abbott) thought was in the last century. We have come a long way from that $20 a month at age 70 with a means test. One of the tremendous improvements we have made is the Canada Pension Plan itself which, incidentally, is indexed. It is indexed while people are contributing to it on the basis of the wage index, and it is indexed after retirement on the basis of the Consumer Price Index. For a while there was a limit of 2 per cent per year, and then we accepted the proposition that it should be equal to the actual rise in the Consumer Price Index. It is a good scheme, and I see the day coming when it will have to be enlarged. Instead of just paying a pension of 25 per cent of the average of one's last three years, it will have to pay 40 per cent, 50 per cent or even more. I see this development taking the control of pensions away from those who sell pensions for benefit and cannot meet the need for all pensions to be indexed. I see the development bringing more of the security of our older people under the responsibility of the people as a whole in a greatly increased old age security pension and an improvement in the Canada Pension Plan itself.

To suggest that the Ontario government is saying no to this slight improvement for women, because it wants to take a look at the whole question of the funding of the Canada Pension Plan and all the rest, is a terribly backward step. No one has been more critical than I have of the slowness of the government across the way. The fact of the matter is that in the old age security system that we have built up, based on universality up to a point, and in the other stage—the Canada Pension Plan we have established—we have done well. I do not want to see it held back by the Colin Browns, the Geoffrey Calverts and the Ontario government who say we must not take even this little step without checking the whole pension system. It is a good scheme we have got. I think it is worthy of a lot better step forward than we are shown in this bill that is before us tonight.

To get back to the bill itself, as I said this afternoon when I began, it is like a good many bills we have to consider. It does not go far enough, but because it goes in the right direction we support it. I hope, as a member of this House, to see the day when we will establish women's rights on the basis of absolute equality. It is not good enough to say to the women of this country, "The kinds of pensions you will get will depend upon the man you have got or on your attachment to a male." Women should stand on their own feet. One of the ways to make that a reality is to say to the women who stayed in the home and made that a career that they are entitled to a pension equivalent to the Canada Pension Plan, just as much as the women who go out and work in industry.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Let us not have the Parliamentary Secretary to the Minister of National Health and Welfare standing up, as he did this afternoon, to say that this is a major step forward. It is only a slight step forward. Because of that, I shall vote for it. But I hope to see the day, as a member of this House, when we go all the way and accord to women pension rights that are equal across the board—rights in their own stead. Only then will there be pension equality between men and women.

● (2120)

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, in order to give an unbiassed opinion on Bill C-49, as a preliminary comment and for the enlightenment of *Hansard* readers, allow me first to quote the beginning of the departmental press release.

Today in the House of Commons the Minister of National Health and Welfare, Mr. Marc Lalonde, has introduced amendments to the Canada Pension Plan the purpose of which is to recognize the role of working parents at home.

Those important changes were discussed during the federal-provincial review on social security which ended in June 1976 and were stated in the last Speech from the Throne.

The two main amendments are meant to provide some recognition and a measure of financial security to working spouses at home while keeping the same basic provisions of the plan: contributory, compulsory and related to incomes.

The first of the amendments will enable the equal splitting of CPP benefits acquired during the marriage between the husband and wife in case of divorce or annulment.

Pension credits would be equally divided, regardless of the amount of direct contributions paid by the husband or wife.

As a result, the assets accumulated during the marriage years would be divided equally when the marriage is dissolved.

Spouses having never worked outside the home and therefore having never contributed directly to the Canada Pension Plan, as well as those who contributed only for a short period of time, would be entitled to share the pension credits acquired by the husband or wife, by their contributions to the plan.

The division of credits acquired during the marriage years since the establishment of the plan in 1966 would be done on demand by either spouse within the three years following the marriage dissolution.

Further, the marriage would have to be dissolved after the amendment has come into force and the marriage would have lasted three years. The spouses would have lived together for at least three consecutive years.

I am going to dwell for a while on this amendment, for I should not have enough time to deal with all the other aspects of this bill.

I want to try to get to the gist of it so that Canadians will not be easily gulled by a presentation which is ambiguous, to say the least. The title of this bill inspires a lot more trust than its detailed reading. I would have hoped that this bill would bridge the gap between the woman working inside her home and the woman working outside. It is as though a mother with a family of two, three, four or even five children to rear is not considered as a working person on the labour market, not only by the Department of National Health and Welfare, but by all federal agencies, including the Department of Manpower and Immigration. Although it is a ridiculous situation, the working mother who must leave her job to care for her children is no longer considered an active worker and cannot receive unemployment insurance benefits. This is the sort of social mistake for which the authorities are responsible, without even knowing it. This is such a time honoured notion that, where we inquire with utmost simplicity whether a mother is working, we are told as stupidly as possible: No, she does not work. That is the answer because she does not work outside the home.

Today the Minister of National Health and Welfare (Mr. Lalonde) introduces a bill which supposedly amends the Canada Pension Plan. Socially, it does not change a thing. Financially, it does not give a cent, it simply says to the husband or wife: From now on, the contribution shall be split in two, one part for you and the other for your spouse. That is what is called a reform in Bill C-49, and what is called the splitting of pension credits.

As a matter of fact, we can read the following in the statement released by the department:

> Objectives: The clause concerning the splitting of pension credits upon termination of the marriage aims at guaranteeing to the "spouse at home" an equitable part of the assets acquired during the union. That provision provides therefore, when divorce or annulment of the marriage occurs, some measure of financial security and recognition to the "spouse at home" and the dependent children.
>
> The amendments would permit the splitting, upon marriage breakdown, of the CPP pension credits earned by both spouses during their marriage, provided:
>
> (a) that the marriage lasted at least three years and that the spouses lived together during at least three consecutive years;
>
> (b) that a request for the splitting of the pension credits be submitted less than three years after the divorce or the annulment; and that
>
> (c) the marriage is dissolved after the amendment comes into force.

Thus, the bill considers only cases of divorce or annulment.

But what does it really do? It imposes a reduction to the spouse who was working outside the house in order to give something back to the other. That is all the minister does. If both spouses continue to live together till death, they will only enjoy the pension derived from the contbutions paid by the one who worked outside.

In my opinion, I would have preferred that the housewife raising her family at home get the same benefits as those provided to the woman with no family working outside. Indeed, when both spouses work outside, they both contribute to the plan and both have their Canada Pension Plan, or Quebec Pension Plan for those living in Quebec.

Had the government wanted to do justice to the spouse at home, they would have given some portion of the pension credits to the housewife, to the spouse staying at home—as the previous speaker said a moment ago—so that the spouse at home or the mother of a family raising her children be considered absolutely like a worker within the labour force of Canada. If there is someone who works hard for her country, it surely is the mother of a family! Yet, all governments have totally forgotten her till now. So I want to tell the minister that he has made a very little step ahead towards greater social justice.

In addition, this little step does not cost him any money because the working spouse will be the one to support its consequences. That is why I ask the minister to present an amendment during the committee stage to give justice to the housewife. We often hear, for instance, that a minister cannot amend such or such a bill because of its financial impact. The minister cannot refuse to amend his bill on that ground because I have already pointed out that it would not have any financial consequences.

Finally, we have another evidence of that in the release we have received:

> If the above conditions are complied with, pension credits of the spouses would be added and shared equally among them from the period beginning at the most recent of the following two dates: the first year of cohabitation or the year 1966 until the last year of cohabitation. For technical reasons, the sharing would apply for the first full year of cohabitation as well as the full year preceeding the last year of common life. If there have been periods of separation during the marriage, periods giving right to pension credit sharing could be affected.
>
> Moreover, pension credits would not be shared for the whole period in which one of the two spouses has not been entitled to contribute to the plan, namely when he was under eighteen or when he was seventy or over or when he was drawing disability allowance or CPP benefits. Furthermore there would be no credit sharing for the whole year in which the sum of the pensions credits of the spouses does not exceed twice the amount of the basic exemption for the year, namely twice $900 in 1977.
>
> Where one of the spouses or both are drawing disability allowance or CPP benefits when CPP credits are being shared, . . .

. . . or Quebec Pension Plan for Quebec . . .

> . . . the benefits would be established at a new level according to the pension credits which are being shared. The adjusted amount would become payable the month following the application for sharing. Furthermore, when one of the spouses becomes eligible for CPP benefits, after the sharing of the pension credits, the current provisions concerning retroactive payment of the present legislation would apply.

Once again, Mr. Speaker, I want to say how disappointed I am about the fact that the department always refuses to give up a few dollars in order to set up a more equitable social justice. We keep on reasoning and acting according to the money factor, instead of introducing renewed policies aimed at human capital. That is why people are so dissatisfied nowadays.

Once more, I appeal to the minister and all members of the standing committee of the House, so that they bring forward amendments and make of this bill an example of what the government can do, if such is its intention, on the matter of real social reform. I will vote of course in such a way that the

bill goes to committee, because I hope my remarks will be seriously taken into account, so that for a change we steer towards a real social reform that will give justice to all our courageous family mothers.

● (2130)

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, speaking on this bill to amend the Canada Pension Plan Act gives us an opportunity to discuss not only these amendments but the state of pensions in Canada, both private and public. It is no secret that the state of pension plans is giving great concern to many Canadians who, in the past 30 or 40 years, have invested in certificates, life insurance policies, trust companies and so on. They are viewing with alarm the fact that their contributions are being wiped out by inflation. In the last budget we find the proposed tax on life insurance policies which would amount to a virtual confiscation through the tax system of what have been savings on pensions earned long ago. It has become increasingly apparent as time goes on that savings on private pension plans are virtually useless in many instances.

There are two major amendments in this bill. The first one is the splitting of the CPP earned during marriage. On divorce or annulment the total pension credit would be divided equally, regardless of the amount of contributions paid by husband and wife. Spouses who have never worked outside the home, as well as those who have contributed for a short time only, would be able to share the pension credits accrued through the CPP contributions made by the husband or wife. As I understand it, the application by either within three years of marriage dissolution would bring about the splitting. The marriage would have to be dissolved, and after three years they would get their share, but before the dissolution they would have had to be married for three consecutive years. This would apply if the amendment were to pass. This pension aspect seems to have the support of all the provinces as well as of the Advisory Council on the Status of Women. It was extensively discussed at the federal-provincial ministers' conference on June 1 and 2 of 1976. It gives recognition to the wife who does not go out to work.

The proposal was that pension credits earned by spouses during a marriage would be divided equally between spouses on marriage dissolution. This would provide some financial security for the spouse who has remained at home as she would have immediate protection against disability, and also benefits for children, should the other parent die. Furthermore, she would be given some retirement benefits under CPP.

Under this legislation it would appear as if both partners had been contributing equally to the estate. I believe that an analysis would show that the splitting of credits would affect only a relatively small portion of contributors. Under the present legislation a series of exceptions would develop. These exceptions would complicate the plan further as they would retroactively alter accumulated pension credits. Situations would arise where individuals would move between split and unsplit pension credit circumstances. The effect of splitting pension credits would be greatest on single wage earning families. The CPP retirement income would become available in two stages, according to the ages of the wage earner and the non-working spouse, and would reduce the dollar value of the wage earner's benefits. Also, disability benefits would increase on the death or disability of the non-working spouse. However, in the case where both marriage partners earn an income, the splitting of the pension credit would not be so great.

There are other problems that might arise. In the case of one partner receiving CPP disability retirement pension, retroactive splitting would reduce the recipient's benefits. Also, there might be a conflict with the provision which states that a person cannot be both a receiver and a contributor to a retirement or a disability fund at the same time. How this will affect disability should be reviewed. There is also the problem of low income families. Will retroactive splitting result in a loss of coverage that has been paid for because the level of each partner after splitting may be below the plan's basic exemption for a year? Again, retroactivity may involve administratively complex calculations since long periods may have to be recalculated. Also, what about the implications of private pension plans which are often meshed with CPP and old age security?

Is the definition of marriage dissolution restricted to legally terminated marriages, which excludes those people who are deserted, separated or living common law? In view of the fact that divorce is more often the privilege of the well to do, this will work further hardship on the low income group. Furthermore, how will the authorities who administer the CPP be informed of the breakdown of the marriage? These are some of the problems in the bill to which we will have to address ourselves.

The second major amendment has to do with those who leave the labour force to raise young children. The provision helps them guard against the deterioration of their CPP benefits during periods of low or no earning in the child raising years. Contributors would be able to drop out from the labour force for certain periods when they were raising their children and include these years when calculating their lifetime average earnings for benefit purposes. Since this clause is applicable back to January 1, 1966, it has major implications in principle.

● (2140)

This drop-out provision raises a question about whether the CPP is an insurance fund or a welfare fund. In fact, raising children and contributing to the CPP emphasizes the welfare aspect of the plan. One may well ask whether the CPP disregards those who may have had to drop out because of illness or some such thing. When the CPP was introduced, it was introduced as basic insurance, and this change is not in keeping with the original principle of the plan. It was a contributory plan based on actual years worked. For these women the CPP cannot be an earnings related plan. There may be some difficulty in recognizing the idea that the work of housewives is valid in an earnings related plan.

Over the years the basic orientation has been to a wage earner, and the plan has been tied to the earnings of the participant in terms of coverage, contributions, and benefits. Furthermore, as the drop out provision has considerable exemptions, it raises further complications. There is no coverage or protection for a spouse at home if she has never worked, if she worked only for a few years or if she had to leave the labour force to care for a disabled child or parent.

This drop out clause provides a subsidy without contribution, and as such moves towards social assistance rather than the insurance intent of the CPP. Are mothers who remain at home to care for a disabled parent or child entitled to less subsidy? If there is a principle of social justice in this area, should we limit this subsidy to housewives who remain at home to care for children and then return to the work force? Certain inequities and subsidization will result.

It seems likely that there would be a transfer of benefit from low income contributors to high income contributors because the plan is not fully funded, and low income families will not likely be able to take advantage of the drop out provision. For instance, a woman who works ten years out of a possible 40 is not presently entitled to one quarter of the full possible pension. Now, however, if she was raising children for ten years and was eligible for 20 years drop out, her pension would be half of her full possible pension. She would receive double pension without any extra contributions. This subsidization may be for those mothers who work at lower average incomes because they are not likely to stay home to look after children but have to get into the labour market.

It seems that inequity could be created between those who could afford to drop out and those who could not, the more well to do being the beneficiaries. This bill seems to create inequities between and among women. These could be explained by government actuaries.

Then there is a very basic problem. What is the role of the CPP, provincial financing, and the method of funding the CPP? I understand that Quebec government actuaries claim the drop out provision will increase total pension pay-outs by 4 per cent in the next 50 years. This estimate could be erroneous if the behaviour patterns of women change after the institution of the provision and, like unemployment insurance, it seems very likely that people would take advantage of these changes.

By 1982 pay-outs from the CPP will exceed outstanding provincial loans and interest charges. If present contribution rates do not go up, the provinces will have to pay at least a portion of their annual interest on their loans. By the year 2000 all loans will be repaid, and the pension will become a pay as you go operation. This is certainly an area which needs extensive discussion. At the moment current contributors are paying for the pensions of those who are now retired, and the degree of individual subsidization will increase as the plan matures.

Currently retired persons receive an abnormally high rate of subsidy, and as modifications are made to the CPP, these will tend to be passed on to future pensioners. The CPP is underfunded at the present, so it will enventually become exhausted.

[Mr. Ritchie.]

There is also the problem of financial burden which can be placed on future generations, and there is a basic problem of the orientation of social insurance programs. In the United States social security system the situation has progressively improved. It has been extended over the past decade, but without appropriate adjustments at the contributory level. Therefore it is good to have a discussion about the role of the CPP. Is it a contributory insurance scheme? Is it an appropriate mechanism for providing something for spouses? Should we be doing it this way or some other way?

The second question relates to the orientation of the CPP, its social aspects and its insurance principle. The introduction of these amendments represents a further departure from the insurance principle.

A *Globe and Mail* article on January 21, 1977, had this to say about the CPP:

> The Canada Pension Plan is supposed to provide retired workers with security. Instead, in its present form, it could dupe them into insecurity, rob their children and reduce the ability of Canada to produce the goods and services that are needed by all Canadians.

Mr. McKeough told the Canadian Pension Conference to consider some of the dangers of the CPP and some means of correcting them. He pointed out that the CPP is only half funded by contributions. This means that those who are working are supporting those who have retired. Canada had a baby boom followed by a sharp reduction in the birth rate. There is no way that this small number of workers can support large numbers of pensioners. They may well feel it impossible to finance them. The *Globe and Mail* article went on to say the following:

> There are other problems arising from this redistribution of income. Workers, feeling that CPP will provide for their basic needs in retirement, don't save as much. Instead they spend, and the pensioners also spend their pensions. Underfunded public pension schemes create a double effect ... resulting in lower savings (a reduction in the money available for investment in the production of jobs, goods and services) and increased consumption.

A United States study into the effects of the wholly unfunded or pay as you go U.S. social security system was made. The system was introduced in 1937, and it has lowered the rate of personal savings by 35 per cent. Because it is pure pay as you go, it accumulated no fund to replace lost savings to be available for capital investment. If, instead, the U.S. plan had been fully funded from the start and had allowed its funds to be invested in the private sector, capital accumulation in 1974 would have been 55 per cent greater than it actually was.

It may well be that the CPP is one of the causes of diminishing capital resources that we are now experiencing. This bill gives an opportunity to debate the philosophy of pensions. More and more people are taking the view that the value of private pensions is not very great. People save money for a purpose, to buy a car or a home. Similarly in years gone by people saved money so that in their old age, when they were unable to work, they could look after themselves. However, with the advent of hospital, medical and drug costs protection the necessity to save is not nearly as great.

Indeed, the every day needs and wants of the retired are much fewer than they were when they were working people

with growing families. Very often these people own their homes. They have accumulated many goods during their lifetimes. They generally have household furniture, cars and things necessary for their comfort. Indeed, a person approaching 65 years of age would be well advised to buy a good car and put his house in order, or to have a boat and motor if he enjoys the water or a cottage at the lake, rather than putting money into a pension plan which inflation eats up day by day. If people want to be especially prudent, they may want to take their money to a country where the climate is more hospitable so that they could take advantage of their money should currency controls come to pass.

This cynicism about the value of pensions was expressed by Mr. I. H. Asper of Winnipeg, a former Liberal leader in my province, when he spoke to the Life Underwriters Association in Toronto. Mr. Asper had this to say: "There are very few pension plans that are funded sufficiently." Some may dispute Mr. Asper's sombre warnings, but nevertheless there is abroad the opinion that pension plans are losing their value. The question of whether pension plans can be indexed has been raised. The private sector has suggested that it is unable to provide full protection to the federal public service. It is widely suggested that only through the taxation powers of the federal government are we able to give protection to the federal public service. This would be impossible for private companies.

Will the government attempt to move into the private sector to protect private pension plans? With inflation at 4 per cent a person retiring on a pension of $10,000 a year would find in ten years he could buy only $6,800 worth of goods and services. At 8 per cent the real value would be $4,600.

• (2150)

Could the private sector provide an indexed private pension plan? It would require a great deal of change in investment direction. Present pension funds are invested in a mixed bag of securities. Stocks tend to lose value when inflation rates are high. The returns on new bonds tend to rise with inflation, but those holding existing bonds suffer a loss. Perhaps we should look at an indexed bond type of security.

With those words, Mr. Speaker, I should like to resume my seat and hear the government put its case.

Some hon. Members: Hear, hear!

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I shall only have a few words to say on this second reading. I understand that we are all eager to see this bill go to committee so that we can look at its detail and discuss it.

I will not take the time of the House tonight to give detailed information on some of the points that have been raised. I should only say that these points have been studied extensively by the Canada Pension Plan Advisory Board and by the Advisory Council of the Status of Women. The bill before us comes out of the recommendations of these two independent, autonomous bodies. The Canada Pension Plan Advisory Board is composed of quite a few experts in the field of pensions, and the Advisory Council of the Status of Women is composed of outstanding Canadians, mainly women, who have at heart the improvement of everything to do with the status of women in this country.

I would remind my colleagues in the official opposition who have expressed some reservations about this bill that all but one of the main provisions have the support of the ten provinces of Canada, and the other provision has the support of nine provinces.

I apologize for being absent at the beginning of debate this afternoon but I am glad to have had an opportunity to hear the speech of the main spokesman for the official opposition again tonight from the hon. member for Dauphin (Mr. Ritchie). I can find some of the words and exact quotations there so I do not think I missed too much of the argument of the hon. member for Hamilton West (Mr. Alexander). I will take his remarks about my absence as a tribute to the importance of my presence, but I want to assure him that this did not go to my head.

I want to agree with the hon. member that the bill before us is of major significance. I notice that the hon. member for Winnipeg North Centre (Mr. Knowles) was not too sure that he wanted to go that far, and expressed reluctance in some respects. I am used to hearing from the official opposition that we are going too far, however, and from the New Democratic Party that we are not going far enough.

What concerns me about some of the arguments used this afternoon, particularly by the hon. member for Winnipeg North Centre, is that some of the propositions he put forward would have very little support from provincial governments. That would be very important in this field since all amendments must have the support of at least two thirds of the provinces having two thirds of the population. After listening to him, however, I am quite convinced that there is a great difference in being the third party in this House and being in power in a particular province. I do not think I have heard any NDP provincial government put forward the proposals he has, and for good reason. There are tremendous costs involved in some of them. What surprised me is that he is not going any further; I have not heard him propose full salary for spouses staying at home in all conditions and all cases.

Mr. Knowles (Winnipeg North Centre): I do. That is a good idea.

Mr. Lalonde: The hon. member did not go that far this afternoon so I suspect we will have another speech along this line soon.

Mr. Knowles (Winnipeg North Centre): There is always another year.

Mr. Lalonde: Questions have been raised about the actuarial soundness of the plan or the cost of the proposals. I should like to remind hon. members that the Minister of Finance (Mr. Macdonald) recently tabled in this House Statutory Actuarial Report No. 5 put forward by the Chief Actuary in the

Department of Insurance of the federal government. Under the Canada Pension Plan the Chief Actuary is required to put forward a report costing those proposals everytime there is an amendment. The conclusion of that report is as follows:

In our opinion, the enactment of Bill C-49 is expected to result in combined employee-employer contribution rates gradually increasing to be higher than projected in Statutory Actuarial Report No. 3 by 0.1 per cent of contributory earnings in the year 2005 and by 0.3 per cent of contributory earnings in the year 2025.

I think it is important to bear in mind this type of figure when we are talking about these particular amendments.

There are a lot of other points I should like to raise but I think I should reserve them for consideration in committee where I will be happy to discuss them with my hon. colleagues. I would therefore move second reading, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

TRANSPORT—DATE OF DECISION ON USE OF REFRIGERATOR CARS TO TRANSPORT POTATOES—POSSIBILITY OF RATE INCREASE

Mr. David MacDonald (Egmont): Mr. Speaker, hon. members will recall that a week ago today I asked both the Minister of Agriculture (Mr. Whelan) and the Minister of Transport (Mr. Lang) a question with respect to the current status of this matter. I see both parliamentary secretaries are here, so I hope we will get a double-barreled answer because a single-barreled answer has not been too productive in solving the issue. The Parliamentary Secretary to the Minister of Transport (Mr. Roy) and I have had a number of exchanges on the issue. The Parliamentary Secretary to the Minister of Agriculture (Mr. Pelletier) comes originally from New Brunswick and recognizes the importance of this question to both New Brunswick and Prince Edward Island as well as to other potato growers all across Canada.

I make no apologies for raising the issue again this evening, Mr. Speaker. I will continue to do so until we get statisfactory action from the government on this serious situation. It is one of the most serious that has confronted this most important industry for many years, namely, the future availability of basic transportation equipment for potatoes. I have raised this issue repeatedly because there has been rapid deterioration in the number and quality of railroad cars to transport potatoes from eastern Canada to the central Canadian markets.

As both parliamentary secretaries know, a number of studies have been done by their departments, the Department of Regional Economic Expansion and the Department of Industry, Trade and Commerce. I have heard rumours of studies done by other departments, as well as basic studies done by the Prince Edward Island Potato Marketing Board. I think the potato interest in New Brunswick as well has examined this problem seriously.

● (2200)

Frankly, the problem is that we are now down to approximately 1,000 refrigerator cars, whereas only two years ago we were operating well over 4,000 of them. Considering that the actual production of potatoes has not decreased significantly in the last half dozen years, that we have not been successful in transferring a large percentage of this perishable commodity to other sorts of transport, although there have been useful experiments involving intermodal transportation, and considering the strength of demand for this product at least in the foreseeable future, it is obvious that perhaps as much as 80 per cent of this important product will have to be moved by rail. Therefore we must have—we ought to have had it by now—a commitment from the federal government to make available adequate numbers of transportation vehicles.

Recently the transportation committee of the province of Prince Edward Island legislature examined this question seriously. Indeed not many weeks ago the legislature of my home province passed unanimously a resolution urging the federal government to take action to ensure that the rail cars will be available for the next shipping season. So far, the only assurances we have received from the CNR are less than satisfactory.

We know, for instance, that there will be a further decline in the number of reefer cars available for the next shipping season. The figure will be down to something like 700. Considering the condition of the reefer cars, the number available may be even smaller. In addition, we are assured that perhaps as many as 400 insulated boxcars, of 110,000 pound carrying capacity, will be available to transport potatoes to central Canadian markets. Mr. Speaker, I question how realistic CNR officials are in even making such suggestions, or suggesting such solutions. Considering the great problems the use of this equipment will create in warehousing, packaging and marketing, I am led to wonder if there has been any consultation with those who are directly involved.

Frankly, what concerns me is this. More than a month ago reports presented to the Minister of Transport, the Minister of Agriculture, and others made specific recommendations; however, I am not aware that there has been any significant consultation with the potato producers of eastern Canada, with potato shippers, with marketing boards directly concerned, or with the retailers in central Canadian markets who, in the final analysis, will distribute the product. Yet in the absence of prior consultation, any recommendations or any actions taken by the CNR could be counterproductive or destructive both to the general system of marketing of eastern Canadian potatoes and to the provision of employment which is so important to eastern Canada, given our current serious difficulties in unem-

ployment. We have had studies done, but I have seen no evidence of action.

Both the Minister of Agriculture and the Minister of Transport keep telling me that they are still considering recommendations coming before them, that they will shortly present recommendations to their cabinet colleagues, that they hope to meet shortly with provincial representatives, as the Minister of Transport said to me on May 2, and that they hope to meet at an early date with the premier of Prince Edward Island. But neither minister has indicated to me that he has had satisfactory, direct consultation with potato interests in New Brunswick or Prince Edward Island. Even more important, the Minister of Transport has not given us a firm date as to when federal action will be taken in this field.

One talks about disparities existing in this country, but I suggest there has been no greater disparity than that illustrated by the minister's action a month ago when he ordered a further 2,000 grain cars from the manufacturing plants of this country, to be added to some 6,000 already purchased by the federal government for the transport of western grain. Yet for eastern Canadian potato producers, not one single car has yet been purchased or ordered by the government. This shows a shocking inconsistency. If there were a realistic and balanced policy with respect to providing equitable transportation facilities for both eastern and western Canada, surely we could expect more action from the government than we have seen up to the present on this crucial question.

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the problems related to the distribution of last season's maritime potato crop have been well documented and thoroughly discussed. As the Minister of Agriculture (Mr. Whelan) has indicated previously, he is most concerned that the distribution system not just be patched to prevent a recurrence of last season's problems, but that it be rebuilt in such a manner as to become a reliable system which will deliver a high quality product and encourage the purchase of maritime-produced potatoes.

The interdepartmental committee on maritime potato distribution has been working with this objective in mind. It has not filed a final report because, among other activities related to this topic, its members have been involved in discussions with provincial, industry and government representatives. As the Minister of Transport (Mr. Lang) has said, "We are awaiting a meeting with the provincial premier and the minister of transport of Prince Edward Island as a further concrete step in the resolution of this issue". Nevertheless, I can assure the hon. member that the committee's work will be completed and activities will be initiated in a time-frame to prevent a recurrence of last season's problems.

The troubles that can be initiated or continued through a panic band-aid solution must be avoided, and the strongly positive results sought will be achieved through the thorough planning and the discussion of solutions that is now taking place between the interdepartmental committee chaired by Agriculture Canada and including representatives from Transport Canada, the National Harbours Board, and the provincial governments of New Brunswick and Prince Edward Island, as well as key industry representatives. I can assure the hon. member that the results of these efforts will mean that future crops, including next season's, will move smoothly to their respective markets.

Those are the notes from the department, but I can add that the minister envisages the possibility of the Canadian government eventually buying cars which could be put to the use of the potato producers of the maritime provinces. This is one of the topics which has been discussed in the department although I do not believe the suggestion has yet been put before the cabinet. I know the minister has discussed it with maritime producers and with officials from the hon. member's province and from my own native province of New Brunswick. This is a matter which has been of great concern to the department for the past two years, and we hope that this year we can arrive at a formal solution which will be beneficial to producers and satisfactory to consumers also.

CANADIAN MINT—REASON FOR ACCEPTING ORDERS FOR COINS FROM FOREIGN COUNTRIES

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, on March 31 I asked the Minister of Supply and Services (Mr. Goyer) a question concerning contracts awarded to the Royal Canadian Mint.

Before I deal with the substance of the question I wish to comment on the answer given to my supplementary question. I asked whether the services of agents had been used in obtaining these contracts, because the State of Israel was involved as one of the countries to which the coins were sold. I asked whether the government had used the services of Shaul Eisenberg or other agents in obtaining these contracts. The minister replied "The question does not sound very serious." That response raises a question in itself. I fail to see how it is up to the minister to decide whether or not a question is serious. Surely that falls to Your Honour. Besides that, the use of agents, particularly Shaul Eisenberg, has been the topic of much debate in and around this Chamber of recent months, and only today very serious questions were asked in connection with agent's fees in that particular case.

● (2210)

As far as the question itself is concerned, Mr. Speaker, it really has two parts. The first asks why has the government found it desirable to be in the business of producing coins for sale, in competition with private sector minting companies. The minister said that the mint, in doing so, does not compete with the private sector. I have had reason to contact some private minting companies. I do not know how many there are but I think there are at least six in Canada, and they certainly feel that the Royal Canadian Mint is competing with them.

If I may refer to some correspondence that I have had with them, the Sherritt Mint has been in business since 1961 and was selling blanks to the Mint itself. In 1964 the Sherritt Mint went into the export market for blanks only, and in 1966 it obtained its first export order. It finds that it is competing with

national mints in other countries, because that is the competition on the national markets. They comment that when the Royal Canadian Mint decided to seek aggressively export orders after completion of the new Mint in Winnipeg, they indicated to the Sherritt Mint that they felt the Sherritt Mint should quietly vacate the export field and leave it entirely to them. They go on to say that they think the Royal Canadian Mint is competing with the private sector.

Another mint I have a letter from is the Lombardo Mint, located in Sherbrooke, Quebec. They point out another kind of conflict in that they were receiving help from the Department of Industry, Trade and Commerce which was trying to help them obtain contracts for minting coins. They say they almost succeeded in obtaining a very large order from the Bank of Mexico; unfortunately they were not successful for some hang-up reason with the Canadian government and a German company got that contract. However, they found that the Royal Canadian Mint was competing with them, and they think the Canadian government should be giving the private industry the opportunity rather than competing with the private sector. There is not only competition in coinage, Mr. Speaker. There are many other things mints make, including medallions and other things that souvenir hunters like to collect.

The second part of the question asked whether adequate steps had been taken to ensure that Canadian taxpayers will not be subsidizing coinage in other countries. There were seven other countries involved and six and a half million coins in this particular contract. All too often the Canadian government gets into enterprises which it finds unprofitable, and of course the taxpayer ends up carrying the load. The minister's answer to that part of the question was that there was no reason why the Royal Canadian Mint should not make maximum profits out of its operations, and then the minister goes on to speak about competition.

I should like to refer to the latest edition of the public accounts of Canada, 1976, wherein the financial statements of the Royal Canadian Mint are contained. It is true that in 1974 and 1975 the Mint made a profit; $1 million in 1974, and close to $3 million in 1975. However, I think it is interesting to note that on the income side in 1975 only $675,000 was attributed to foreign contracts. Other sources of revenue were domestic coin, numismatic coin, Olympic coin and refining. Foreign contracts contributed to gross revenue only to the extent of $675,000. Unfortunately, due to the manner in which the accounts are kept there is no way that one can tell whether a particular contract, and especially these foreign contracts, contributed or detracted from the operating results of the Mint. In any event, the Government of Canada has an equity investment of some $31 million in the Mint, and the return of $3 million is hardly what one could describe as being overly generous.

Mr. Rod Blaker (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I shall try to take the remarks of the hon. gentleman in the order in which they were presented. He did, indeed, on March 31 ask whether or not Shaul Eisenberg had acted as an agent in any respect in connection with the Royal Canadian Mint for the sale of coins or blanks. At that time the minister replied that he did not think the question was serious. To the extent the hon. member wishes the department, myself or the minister to take that question seriously, then I will do so right now. The answer is that Mr. Eisenberg has not and does not now act as an agent for the Royal Canadian Mint. I will not make any reference to the future.

With respect to the comments in terms of competition between the Royal Canadian Mint and private companies in Canada, the hon. member may have been a little bit selective in his comments with regard to the Sherritt Mint. I have before me an article which appeared in the *Financial Post* magazine of March, 1977, in which, taking up that very question of competition between the Royal Canadian Mint and the Sherritt Mint, the president of Sherritt Mint, Mr. Pearce said:

> "I'll have to be a little more nimble, perhaps," he allows. He also looks forward to occasions when Sherritt and the RCM may be able to co-operate profitably and cites a case where they have already done so.

With respect to the Lombardo Mint, I think the answer is obvious that whether Lombardo had been bidding on a particular contract from Mexico or whether the Royal Canadian Mint became involved or not made no difference. The contract went to Germany.

With respect to the hon. member's remarks on subsidization of foreign currencies and whether the Canadian public is in any way subsidizing costs of production through the Royal Canadian Mint, the answer is no. All contracts undertaken by the Mint are usually at a profit and where not, on rare occasions, may be at cost. On those occasions they are accepted in order to keep employees on staff and utilize the facilities of the Mint and the maximum number of employees possible.

It is well known that the Royal Canadian Mint enjoys one of the highest reputations around the world for the quality of its production and its ability to undertake and successfully carry out large programs, as was done for the Olympic coin program. That the Royal Canadian Mint is successful in obtaining lucrative foreign contracts is a compliment to the efficiency of its operations. To the extent that the facilities which are already existing for the production of our own Canadian currency can be utilized to serve the requirements of other clients in an open competitive market, there is no reason why the Mint should not optimize its production and maximize its profits. In this way full use is being made of existing facilities and continuing employment opportunities are ensured for a significant number of Canadians.

Another important element is the impact the Royal Canadian Mint activities have on other Canadian industries which are in the business of processing raw materials or manufacturing by-products for Canadian and foreign consumers. It follows, therefore, that the successful ventures of the Royal Canadian Mint in the foreign markets are not only beneficial to the Mint but also to other important sectors of Canadian industry.

The Royal Canadian Mint Act clearly sets out that the activities of the Mint must be carried out in anticipation of profit and the Mint has the corporate powers, embedded in law, to carry out this mandate and ensure that it is a financially viable enterprise. It is not the intention of the government to subsidize the operations of the Royal Canadian Mint and it must therefore continue to undertake and carry out activities within its corporate powers to ensure that it remains self-sustaining financially. It follows that, in so doing, the Royal Canadian Mint may find itself in competition with Canadian private enterprises which have acquired or developed a minting capability.

In fact, the minister has been advised that since the Royal Canadian Mint has recently intensified its marketing efforts in the foreign markets, it has found itself competing along with a Canadian company in a few instances.

Mr. Deputy Speaker: Order, please. I regret I have to interrupt the hon. gentleman, but he has gone beyond his time.

● (2220)

ADMINISTRATION OF JUSTICE—REPORTED INEFFECTIVENESS SURVEILLANCE OF THERAPEUTIC ABORTIONS—GOVERNMENT ACTION TO CORRECT

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, two years ago the largest petition ever brought into parliament, signed by more than one million Canadians, urged the government to tighten the law on abortion. The response of the government was to set up the Badgley commission which issued its report a few months ago.

Among the conclusions of the Badgley report was a very strong finding expressed in the report that the basis of the chaotic situation on abortions, which now amount to approximately 50,000 a year, is in the federal abortion law itself which does not clearly define the reasons for which abortions can be performed. The therapeutic abortion committees in hospitals across Canada are interpreting the word "health" according to their own whims and perspectives. The Badgley report maintains that most abortions now being performed are not based on any actual hazards to the woman's life or health.

The response of the government to the Badgley report, which is a very important document—time does not permit me to give the full range of its findings here—has been to tell the provinces that they will have to ensure that therapeutic abortion committees are operating within the perspective of the Criminal Code.

The response of the Minister of National Health and Welfare (Mr. Lalonde), who has taken the initiative in this regard, has been to advocate the setting up of comprehensive women's clinics across Canada and to collaborate with the provinces in ensuring federal-provincial support for these clinics.

The clinics have been attacked by such organizations as the Alliance for Life and indeed by many people across Canada who are espousing a pro-life position, on the grounds that such clinics will bring in by the back door what has been prohibited officially by the law, namely, wider entry to abortion. I appeal to the minister to make a definitive statement on such clinics.

Obviously clinics are needed for a wide range of health conditions related to women, including pregnant women. I appeal to him to make a specific and firm statement tonight that such clinics will in no way counsel abortions or lead directly to therapeutic abortion committees in hospitals. Otherwise the charge that is being made will be proven correct.

The issue I want to highlight at this moment is the fact that the terms of reference of the Badgley commission specified that the report would be debated in the House. It has not been debated. Rather, the action has been to toss it over to the provinces. It is scandalous that no debate is being offered in the House or that a standing committee of the House has not received the Badgley report for study.

Over the week end the Festival for Life met in Ottawa to try to indicate to members of parliament that the people who believe very strongly in the preservation of life insist that the basic issue is a change in the law.

It is to be deeply regretted that the pro-life movement is now fighting not only government inertia on this, because the government has taken a position that it is a political no win situation when both sides seem to be sawed off even though, as I said, a petition from one million people has made clear a very strong opposition to the widening of abortion or to the continuance of the present level of abortion. The fight is not only against government inertia but against the media which is giving a distorted view of the reality of the pro-life movement. I speak specifically of the Festival for Life over the week end.

I want to put on record a statement made today by Mrs. Gwendolyn Landolt, the vice-president of Alliance for Life, who said, and I quote:

> This week end Canadians of all religious and ethnic backgrounds, from every province, reaffirmed their commitment and concern for the well-being of those least able to help themselves, the unborn, the handicapped, the aged and the dying. Twenty-five thousand Canadians participated in the Festival for Life which featured distinguished international and Canadian speakers, including Malcolm Muggeridge, Dr. Paul David, Marshall MacLuhan, John Howard Griffen and Dick Gregory.

It was discouraging that such a gathering of important thinkers should have received such scant attention from the media. By giving such scant attention, the media indicated that the pro-life position was of little interest to them, and thus they have performed a grave disservice to the people of Canada.

When I watched the CBC news myself on Saturday night I found that the impression was created that the counterdemonstration to the pro-life movement was about equal. When I came back to Ottawa I found that there were around 30 to 100 pro-abortion demonstrators countering the demonstrations of 2,000 people who came up on Parliament Hill on Saturday afternoon. The CBC has done a real disservice to the fair representation of what actually took place on the week end.

I do not believe that abortion is by any means a lost cause. Perhaps the government hopes the issue will go away. I appeal

to the government's sense of justice. I urge that the government ensure that the Badgley report will be debated in the House to give all members an opportunity to express views that have been communicated to us by thousands and thousands of Canadians across the country.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the question of abortion has been raised many times in the question period in the House and in motions. When the hon. member says he would like to have this question debated further, may I point out that the government has said it does not intend to amend the legislation at present. The hon. member knows that if he or his party feels strongly about debating the issue, there are many opposition days when this matter could be debated. As a matter of fact there is one tomorrow. They could use it if they want to do that.

So far as the question about women's clinics is concerned, I am glad he gives me the opportunity to reiterate what was in the statement, which appears to have been either misunderstood or distorted. Women's clinics, about which I have spoken, are to be completely and exclusively the responsibility of the provinces. It is their decision whether they want to go ahead with them or not. I indicated clearly that they should be part of recognized hospitals, as is the case at present when a therapeutic abortion takes place. There is no question of bringing in abortions by the back door. It is a matter of applying the law as it is at present.

Clinics which are properly set up and run would, I believe, reduce the number of abortions rather than increase them, because they would provide the whole spectrum of services to women. I am afraid that this is something that has not been examined very carefully by the critics. There exists already a women's clinic in Canada which, I am advised, is working very effectively. The question is rather whether we can improve the health services provided to women in this country within the context of the law as it stands at present.

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

At 10.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, May 10, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

PROPOSED COMMITTEE STUDY OF CONSTRUCTION OF A RAILWAY RATHER THAN NORTHERN PIPELINE—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

In view of the strong views expressed by the Honourable Mr. Justice Berger in connection with a gas pipeline from the Yukon and that a railroad was commended and approved by the Canadian Institute of Guided Ground Transport in 1972 following an engineering, economic and environmental feasibility study of a railroad to carry Arctic oil and liquefied natural gas to markets in central Canada, and as the institute agreed with an earlier preliminary analysis which concluded that a railway is technically and operationally feasible and appeared to be financially attractive, with unanimous consent of the House, I would move:

That a committee of the House be set up to examine this question without delay, as the conclusion of the Canadian Institute was that 360 locomotive units and 11,000 tank cars of 94 ton capacity with 20 trains per day could move the necessary requirements of oil and gas.

Furthermore, having regard to the unemployment situation, the report agreed that such a railroad would require 5,000 workers to build over a 5½ year period, and it would employ, on completion, some 4,600 people in the Yukon and Northwest Territories, and there would be very little disruption to the environment.

Some hon. Members: Hear, hear!

Mr. Speaker: Presentation of such a motion for debate, pursuant to Standing Order 43, can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

SUPPORT FOR RECOMMENDATION NO NORTHERN PIPELINE BE BUILT FOR TEN YEARS—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. Given the fact that Canada has a sufficient supply of natural gas to last until 1990, and given that a Mackenzie Valley pipeline would cost between $8 billion and $12 billion, and in particular given the conclusions of Mr. Justice Berger that: "a pipeline across the northern Yukon would entail irreparable losses of national and international importance" and that if a pipeline were built now "... it would bring limited economic benefits, its social impact would be devastating, and it would frustrate the goals of native claims", I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House supports the principal recommendations of the Berger report that no pipeline be built across the northern Yukon and that no Mackenzie Valley pipeline be built for at least ten years.

Some hon. Members: Hear, hear!

Mr. Speaker: Presentation for debate of such a motion, pursuant to Standing Order 43, can only be done with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

PROPOSED ASSISTANCE BY FEDERAL GOVERNMENT TO COMPANIES DESIRING TO MOVE FROM QUEBEC—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, pursuant to Standing Order 43, I rise on a matter of urgent and pressing necessity.

Given the fact that a number of companies whose head offices were situated in Quebec have moved or will move on account of the Charter of the French Language in Quebec, and the fact that an alarming situation is being artificially created to discredit the legitimate aspirations of the Quebec government, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the federal government do not provide any assistance by way of loans, subventions or subsidies to companies moving their head offices but that, on the contrary, government consider the advisability of giving them assistance so that they may remain in Quebec and comply with the requirements of the priority given to French in that province.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

THE CANADIAN ECONOMY

PROPOSED MEASURES TO STIMULATE ECONOMY—MOTION UNDER S.O. 43

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise on a motion of urgent and pressing necessity under Standing Order 43. In light of the immense human problem that eight years of economic failure has created, I move, seconded by the hon. member for York-Simcoe (Mr. Stevens):

● (1410)

That this House direct the government to bring forward a revised budget for the economic reconstruction of the country which shall include the following: income tax cuts of the order of $250 million to stimulate the economy, federal sales tax reductions on certain products such as building materials to stimulate demand and create jobs and long term tax contracts for companies investing in 'have-not' regions of this country.

Mr. Speaker: Such a motion under the terms of Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No!

SUGGESTED MEASURES TO ALLEVIATE UNEMPLOYMENT AND STIMULATE GROWTH—MOTION UNDER S.O. 43

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

When the "magnificent seven" gathered in London this past weekend, it was determined that unemployment is the *cause célèbre* of the industrial world today. As the administration's last budget did not give sufficient attention to our own mounting unemployment, the highest of the seven, ensuring as it does at least one million unemployed in Canada, I move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That this House instruct the government to bring in a new budget which will address itself to the critical unemployment problem in Canada and our lack of real growth.

Some hon. Members: Hear, hear!

Mr. Speaker: Presentation for debate of such a motion can be done only with the unanimous consent of the House. Is there such consent?

Some hon. Members: No!

[Mr. Speaker.]

ENERGY

PROPOSAL TO DEBATE CONSTRUCTION OF NORTHERN PIPELINE FOLLOWING RECEIPT OF REPORTS THEREON—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the government of Canada will have to make a decision on a northern pipeline and on the issues considered by the Berger inquiry and by the National Energy Board, by consultants and by Dean Lysyk of the University of British Columbia, and in view of the paramount importance of the involvement of and consultation with the House of Commons before the government makes any final decision upon proposals for the construction of a northern pipeline, I move, seconded by the hon. member for Provencher (Mr. Epp):

That the government be instructed to initiate a full debate in this House concerning proposals for the construction of a northern pipeline once all of the relevant consultants, boards, commissions and committees have reported on the matters referred to them in connection therewith, and that no final decisions be taken in connection with such matters until after full debate so that the views of members of the House as to what action should be taken in the national interest may be known.

Mr. Speaker: A motion under Standing Order 43 can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No!

PROPOSAL TO ACCEPT BERGER RECOMMENDATION TO SETTLE NATIVE LAND CLAIMS PRIOR TO CONSTRUCTION OF NORTHERN PIPELINE—MOTION UNDER S.O. 43

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the terms of Standing Order 43.

In view of Mr. Justice Berger's strong recommendation in his report on the Mackenzie Valley pipeline, tabled yesterday, that a pipeline should await both a settlement and implementation of native land claims, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this government accept and implement the recommendation.

Mr. Speaker: Presentation for debate of such a motion can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No!

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT—REQUEST FOR NEW MEASURES TO ALLEVIATE

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is directed to the Acting Prime Minister. Earlier this week, the communique of the London economic summit conference which was signed by the Prime Minister of Canada and six other heads of government, affirmed, and I quote, that "our most urgent task is to create more jobs" and went on to say "we are particularly concerned about unemployment among young people". I should like to ask the Acting Prime Minister whether in the light of that declaration the government of Canada which is now talking about this problem, is prepared to bring in new and effective job creation measures to assist the more than one million Canadians presently out of work.

Hon. Allan J. MacEachen (Acting Prime Minister): The action taken by the government in anticipation of the current high unemployment rates was reflected in the budgetary proposals as well as in the special Canada Works and Young Canada Works programs. These actions were taken in the light of our expectation that we would be facing high levels of unemployment at this time. It is not proposed at this time to bring in further measures because we believe that over the next period of time the budgetary proposals will have an effect and we can look forward to increased employment.

Mr. Clark: I ask myself if the Acting Prime Minister will be able to get away with that kind of cold comfort when he goes home to the unemployed of Cape Breton.

An hon. Member: Perhaps he won't go home.

Mr. Clark: Yes, perhaps he will not go home. Given the fact that Canada's unemployment level is currently the highest of the seven nations that signed the summit conference communique and that the unemployment level in this country is among the highest of the 24 OECD nations, and in light of the signal failure of this country to create jobs and of the fact that the government stands out in the industrialized world for its failure to create jobs for its citizens, I would like to ask the Acting Prime Minister whether the government of Canada is not now prepared to consider a significant change in its existing spending priorities to help reduce our shocking national level of unemployment, and whether the government will not consider a further selective reduction in federal taxes to stimulate demand and to get Canadians working again?

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, the hon. member has referred to Canada's standing among the industrialized countries of the world. He will have noticed that the report prepared for the summit conference indicates that Canada's economic performance over the past number of years was the best among the seven industrialized countries meeting in London. I repeat the answer I gave earlier that it is not the intention of the government to introduce new measures at this time because we must give an opportunity for the economic stimulus package presented in the budget to work itself through the economy.

YOUTH UNEMPLOYMENT—POSSIBILITY OF SEEKING CO-OPERATION OF LABOUR AND MANAGEMENT TO CREATE JOBS

Mr. Joe Clark (Leader of the Opposition): I would like to ask the Acting Prime Minister, first of all, if he would like to send that report to the more than a million Canadians who are out of work so that they can take the kind of encouragement from it that he has found. I would like to direct his attention to the time bomb that has been built into Canada by the fact that so many of the unemployed in this country now are under the age of 24 and are starting to look for work when there are no jobs available to them. Given the fact that that kind of unemployment among young people can cause serious continuing social unrest and alienation, particularly in the five eastern provinces, I would ask the Acting Prime Minister whether in the discussions that are now underway with business and labour on behalf of the government of Canada there has been any attempt by the government to get those two other partners in the economy to create jobs for young people since the government of Canada will not?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, the Leader of the Opposition obviously refers to a serious problem in the Canadian economy, but he should bear in mind the number of positive aspects, namely, the total employment in Canada has increased by about 110,000 in the last several months, the export picture is quite strong, the expectations of manufacturing intentions are quite positive, and the upturn in the United States is bound to have an effect on the Canadian economy—

Some hon. Members: Oh, oh!

An hon. Member: Don't hold your breath.

Mr. MacEachen: —in addition to the economic stimulus package contained in the budget of the Minister of Finance. There is no disposition of this side of the House to underestimate the gravity of the present situation, but I believe it should be placed in the proper context.

Mr. Clark: I presume that when the Acting Prime Minister talks about the improvement in the export situation he is talking about the export of young Canadians whom the Prime Minister counsels to leave this country if they cannot find work here.

Some hon. Members: Hear, hear!

● (1420)

Mr. Clark: The fact is that in the cheerful list of statistics cited by the Acting Prime Minister he neglected to tell parliament and the people of Canada that almost 40 per cent of our unemployed have been out of work now for more than three months. In light of that situation I will ask the Acting Prime Minister one last time whether the government of Canada will accept its responsibilities and begin to show the million Canadians who are out of work that their government cares about their plight and is prepared not simply to hope that budgetary measures, which we know will not work, will work, but instead will take action to create jobs now for Canadians.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, the exports I had in mind were Canadian merchandise exports which increased by 14 per cent in the first quarter of this year compared with the final quarter of last year.

An hon. Member: It was low last year.

Mr. MacEachen: That is a very positive feature. The hon. gentleman is aware that in this current fiscal year we are putting almost $500 million toward direct job creation programs in the Canadian economy, which is an indication of the seriousness with which the government is dealing with the present situation.

POSSIBILITY OF REVISED BUDGET TO STIMULATE ECONOMY AND PROVIDE JOBS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, it is shocking to hear the Acting Prime Minister state that we have to wait for an upturn in the United States economy so that we can take advantage of it. In light of the fact that we are still in the midst of a national crisis in terms of high unemployment, will the minister tell this House whether the government is now prepared to bring in a revised budget to stimulate the economy and to restore confidence in its performance, thus meeting this tragedy by providing jobs?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I have already answered that question.

Mr. Alexander: I am very concerned about the answer the minister just gave to me because he did not answer the question. In light of the fact that we are faced with a national crisis and that the government only tinkered with the economy in the last budget, will the Acting Prime Minister now indicate to this House whether he is prepared to bring in a revised budget to stimulate the economy and restore confidence in its performance, thus meeting this tragedy by providing jobs?

Mr. MacEachen: Mr. Speaker, I have already answered that question also.

[Mr. Clark.]

ENERGY

SUGGESTION PRIME MINISTER ASK UNITED STATES FOR MORE TIME TO MAKE DECISION ON CONSTRUCTION OF NORTHERN PIPELINE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. We have now learned that U.S. energy adviser Schlesinger has informed the minister that the United States does not regard Prudhoe Bay gas as being significant in terms of over-all American needs. Considering that President Carter can obtain a 90-day extension on reaching a pipeline decision, and in particular, following the recommendations and suggestions in the Berger Report regarding alternatives to investigate, will the minister urge the Prime Minister, when he returns to Canada, to reconsider his answers given earlier last week in the House and to go back to President Carter and inform him that the government of Canada needs more time to reach this fundamentally important decision on a northern pipeline?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, it seems to me that it would be helpful if, before making judgments and thinking out positions with respect to pipelines, hon. members opposite would await the report of the National Energy Board. When we have that report, we will be much better able to judge whether additional time is going to be needed.

Some hon. Members: Hear, hear!

ADEQUACY OF STUDY OF ALCAN ROUTE FOR PIPELINE—SUGGESTED EXTENSION OF TIME

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the minister misses the point. In light of Justice Berger's recommendations, which the minister praised so highly last night, that the Alcan route deserves more serious study—the report specifically referred to certain questions which ought to be more fully pursued—and in light of the ridiculously short time frame the Alcan study is now working with, does the minister agree that a three-month study is adequate to deal with the questions that are being considered with regard to the Alcan route? If he does not agree, why will he not agree to extend the time frame so that the job can be adequately done?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I do not think the hon. member has informed himself on the particular study to which he has referred. As my colleague the Minister of Indian Affairs and Northern Development has made quite clear, the situations are different—different in the sense that the Alcan study is associated with a corridor already in place, that is, the highway. The second point that I think he has made clear is that this would be a preliminary study and further work would be done upon receipt of it.

Mr. Broadbent: Mr. Speaker, if the minister is going to follow the logic of the statement he has just made, surely when

the government report comes in, if it is going to require further study,—which means during the summer months—given the whole social and environmental aspect of the question that Mr. Justice Berger referred to in his report yesterday with specific reference to Alcan, would the minister not conclude on a rational basis and in terms of commitment to the people of Canada that it is impossible to reach a sensible decision on this prior to September 1?

Mr. Gillespie: Mr. Speaker, the hon. member is apparently prepared to prejudge all the questions.

Mr. Broadbent: You are prejudging.

Mr. Gillespie: Indeed you have. You have already prejudged virtually every issue related to this very difficult decision. The government's position is that the National Energy Board has been hearing evidence for many years and we expect to receive their report this summer. We will take our decision after we have seen that report.

Mr. Broadbent: After parliament has gone home.

* * *

[*Translation*]

STATISTICS CANADA

METHOD OF CALCULATING NUMBER OF UNEMPLOYED—GOVERNMENT POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce.

In view of the fact that Statistics Canada is responsible for counting the number of unemployed in Canada, and that the Minister of Manpower and Immigration takes into account the data provided by Statistics Canada when computing the amounts to be made available to the various constituencies under the Canada Works Program, could the Minister of Industry, Trade and Commerce tell the House whether he is willing to suggest more effective and adequate means to compute the real number of unemployed in the various regions, so that the Minister of Manpower and Immigration can truly assess the needs of all regions and deal fairly with them?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, Statistics Canada has assured me on a number of occasions that no better method exists today for computing the number of unemployed than those it is currently using. These methods are internationally recognized and used, but if the hon. member has concrete suggestions to make to the House to improve the current system, I shall consider them gladly and refer them to Statistics Canada.

Mr. Lambert (Bellechasse): I wish to ask a supplementary question, Mr. Speaker.

It is the first time that a member of the cabinet invites me so openly to make suggestions to help him in his work.

In view of the minister's answer, may I ask him whether he wants me to submit such suggestions orally or in writing and whether he is prepared to consider them?

Mr. Chrétien: Mr. Speaker, of course I will be prepared to consider them and I would be glad to meet the hon. member. If he wishes to see me, I am always available.

* * *

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT—GOVERNMENT'S KNOWLEDGE OF NUMBER OF JOBS NEEDED

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Acting Prime Minister. In view of his statement that 110,000 jobs have been created in past months, would he indicate if he was aware of the fact that 240,000 people actually came into the Canadian labour force in the past 12 months. This means that approximately one job was created for every two people looking for work in the past year. If the minister was aware of that may I ask if the government did not take into consideration the fact that jobs had to be created for 240,000 people, not just the 110,000 for which he takes credit.

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, we are all aware that one of the problems we have faced over the past several months has been the rapid increase in the Canadian labour force.

UNEMPLOYMENT—POSSIBILITY OF DEBATE ON SITUATION IN CANADA AND OTHER COUNTRIES

Mr. Sinclair Stevens (York-Simcoe): In view of the fact that there were 9,000 fewer jobs in April than in March and in view of the findings of the economic conference in London which has declared the unemployment situation in Canada and the other six countries as a *cause célèbre,* I have a supplementary question. Mr. Speaker, would the Acting Prime Minister indicate if there will be a statement on motions or if any other means will be taken to ensure a review of the conference in this House and, if necessary, a debate on current unemployment not only in Canada but in the other six countries?

● (1430)

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I have no plans to arrange an early debate on unemployment. I have been asked to arrange debates on northern pipelines and national unity. I believe that the subject of unemployment, so important to all of us, could be appropriately set down for the allotted day debate which is to take place on Friday this week.

SCIENCE AND TECHNOLOGY

SUGGESTED REVIEW OF TARIFF BOARD REPORT ON COMPUTER INDUSTRY

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, may I direct my final supplementary question to the Minister of State for Science and Technology? As the unemployment situation is undoubtedly partly to be blamed on the lack of productivity in Canadian industry, and as Canadian productivity gains were literally the lowest among the seven countries attending the London conference, would the minister indicate if he has reviewed this dragging of Canadian productivity gains, to determine why we are faltering so badly? Specifically, has he reviewed the Tariff Board report of the computer industry, which has recommended full-scale tariff reductions with respect to that industry in the earnest hope that productivity will be helped in Canada?

Hon. James Hugh Faulkner (Minister of State for Science and Technology): Mr. Speaker, no, I have not reviewed that report, but I shall certainly be pleased to do so.

* * *

[*Translation*]

MANPOWER

ESTIMATE OF NUMBER OF JOBS TO BE CREATED IN QUEBEC

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is for the Minister of Manpower and Immigration.

Considering that only 5,000 jobs were created in the province of Quebec those last 12 months, that the labour force increased by 53,000 and that in his last budget the Minister of Finance promised the creation of 150,000 jobs in Canada, can the minister tell the House how many of the 150,000 jobs promised are going to be created, particularly in the province of Quebec?

[*English*]

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, I do not want to enter a statistical debate with the hon. member without having the figures at my fingertips. I have attended the committee considering the manpower estimates, and in the last eight or nine meetings we have gone over many of these statistics. It should be borne in mind, as the Acting Prime Minister said, that something like 110,000 jobs have been created—

Mr. Stevens: The figure should have been 240,000.

Mr. Cullen: —since December, up to the present. It is significant that employment in fact increased in Quebec over this past month. I do not know whether that is a month over month aberration. I will take a very close look at that, because the rates also fell in Manitoba by a significant number. I do not want to judge future programs on the basis of those two figures which seem to be an aberration. Mr. Speaker, I am sorry, I ought to have said that unemployment went up.

[Mr. MacEachen.]

[*Translation*]

MEASURES TO IMPROVE ECONOMY OF QUEBEC

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a supplementary question.

Considering the conditions in Quebec and the importance of restoring economic development which is an essential short-term objective at the present time, and in view of the interest shown by this government in national unity, could the Minister of Manpower and Immigration tell us what are the concrete steps which his government intends to take to restore a more satisfactory economic climate in Quebec. This is important to provide Quebecers with the evidence of economic development within a constitutional context. If such is the case could the minister make at least a few suggestions or recommendations to restore economic development in Quebec in the near future?

Mr. Speaker: Order. This is surely an overly general question to put during the oral questions period.

* * *

[*English*]

INQUIRY OF THE MINISTRY

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker,—

Some hon. Members: Oh, oh!

Mr. MacFarlane: —my question is for the Minister of Energy, Mines and Resources. Would the minister inform me whether anyone in his department has entered into a copyright arrangement with any members of my staff for the use of my name in recent publications, the use of which might cast aspersions on my good character?

Some hon. Members: Oh, oh!

Mr. MacFarlane: In other words, did he ever request permission to use the words, "Garbage Gus"?

Mr. Speaker: Order, please.

Mr. Alexander: That question was an abuse of the question period.

Mr. Baker (Grenville-Carleton): That question is garbage.

* * *

ENERGY

POSSIBILITY OF CONSTRUCTING RAILWAY AS ALTERNATIVE TO NORTHERN PIPELINE—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the general appearance of the member opposite would indicate that he does not lift up garbage. I direct my question to the Minister of Energy, Mines and Resources and ask him what, if anything, has been done in the last two or three years

for the purpose of ascertaining whether railroads would provide an alternative to pipelines and, at the same time, meet the serious problem of degradation of the environment?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I know work was done on such a project. I believe that work indicated that although such a project might be technically feasible, it would be environmentally damaging.

An hon. Member: But not as damaging as a pipeline.

Mr. Gillespie: In economic terms, it would be very expensive. Although these figures may not be precisely accurate, they show that in order to duplicate the throughput of a pipeline, you would require say a 30 car or 100 car train going by about every 45 minutes. The figures are of that order. Clearly, the economics of the proposals place it on a far less attractive basis than that of the pipeline.

Mr. Diefenbaker: Mr. Speaker, I have figures which indicate that the proposal would require 20 trains per day, not the number the minister mentioned. Further, I should like the minister to bring his statistics up to date. I am told that consideration is not being given to the proposal because of the cost, but that does not agree at all with the very full investigation made by the group at Queen's University. In that connection, I ask if the higher echelons of the civil service oppose the railroad, and if Mr. Aguin, a top transport department official said two years ago that if pipelines were proven to be ineffective because of the danger to the environment and the like, as was pointed out in the Berger Report, then and only then the question of a railroad would be considered.

I ask the minister whether the government is giving any consideration to a railroad which would provide tremendous employment not only in the production of extra railway facilities but also in continuing work. Why is the minister so definitely set against a course which has been recommended quite widely but which the higher echelons of the civil service apparently oppose. The minister, apparently suffering from the osmosis of their opinions, takes the same view.

Mr. Gillespie: Mr. Speaker, I seek out the best environmental information I can get and the best economic advice I can get. I think if the right hon. member were to reflect for a moment on his figures concerning the number of trains per day which would be needed, he would see that his figures are not inconsistent with mine. Much depends, of course, on how many cars there are in each train. Clearly, he should recognize that trains going by at 60 or 70 miles an hour at least every hour or hour and 20 minutes are likely to pose a greater environmental hazard to the north than a quiet subterranean pipeline. I can reassure the right hon. gentleman that we took seriously those considerations. We looked at them, and they just did not seem to stand up.

● (1440)

PRIORITY OF UNITED STATES ENERGY NEEDS OVER SETTLEMENT OF NATIVE LAND CLAIMS—MINISTER'S POSITION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. In his report, Justice Berger said and I quote:

If we build the pipeline now there is every reason to believe that the history of northern native peoples will proceed along the same lamentable course as that of native people in so many other places.

Since a government decision to override that advice and basically to write off the native people of the north will come largely on the advice of the Minister of Energy, Mines and Resources, may I ask the minister whether he now believes that the United States energy interests should take priority over the settlement and implementation of the native claims in the Northwest Territories.

Some hon. Members: Hear, hear!

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, with all deference to the hon. member, I think that is an insulting question. Quite clearly the government is so concerned about the kinds of problems about which the hon. member is concerned that they commissioned Mr. Justice Berger to look into the question. There has never been any question in our minds that the Canadian interest, and that includes the interest of all Canadians and in particular the interest of the northern peoples, would come well ahead of any interests of the Americans south of the border.

Some hon. Members: Hear, hear!

* * *

NORTHERN AFFAIRS

INQUIRY WHETHER MINISTER AGREES WITH BERGER RECOMMENDATIONS

Mr. Wally Firth (Northwest Territories): I wish to direct my supplementary question to the Minister of Indian Affairs and Northern Development. I would like a yes or no answer. Does the minister agree with the major recommendations of the Berger report?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member will get my answer in due course.

Some hon. Members: Oh, oh!

* * *

COMMUNICATIONS

NUMBER OF COMPLAINTS ABOUT BIAS IN CANADIAN BROADCASTING CORPORATION PROGRAMMING

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Communications. Since

this is May 10, the last day for the public to write to the CRTC alleging bias or about complaints with regard to CBC programming and since I gave the minister notice of my question, will she tell the House how many members, and in particular how many cabinet ministers, have complained in writing to the CRTC about bias or balancing in CBC programming?

Hon. Jeanne Sauvé (Minister of Communications): I thank the hon. member for the notice he gave me of this question. To date, a total of 945 letters have been received by the CRTC. However, there was no breakdown as to whether those letters came from members of parliament or from cabinet ministers.

Some hon. Members: Oh, oh!

NUMBER OF MINISTERS COMPLAINING ABOUT BIAS IN CANADIAN BROADCASTING CORPORATION PROGRAMMING

Mr. J. P. Nowlan (Annapolis Valley): If it is not asking too much of the ministry or the CRTC, I wonder if it would be possible tomorrow or some other day later in the week to break down, not by names but by status the people who wrote the 945 letters so that the minister can tell us whether any ministers have written in literate form, either bilingual or unilingual, setting out detailed complaints about bias and balance in CBC programming. In order to expedite any supplementaries and/or to further the business later in the week, if no ministers have written setting out in literate form, in bilingual or unilingual prose, the complaints about the CBC programming, will she talk to the Prime Minister when he returns to see if in fact the ministry will decide there is any purpose to be served by proceeding with an inquiry when, using the Prime Minister's own words, no specific allegations have been made.

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I must first tell the hon. member there is no such thing as bilingual prose. Therefore, these letters would have been written in either English or French. The CRTC is very reluctant to give me this kind of breakdown. In their view, letters from ordinary citizens are equal to any letter that might be received from a member of parliament or a minister, as Mr. Boyle told me on "Cross Country Check-Up", if the hon. member was listening.

* * *

MANPOWER

CANADA WORKS PROGRAM—IMPLEMENTATION OF EMERGENCY RESPONSE PROVISION IN NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In view of the fact that unemployment figures in the province of Newfoundland have reached the unprecedented and disastrous rate of 19.2 per cent, figures which will increase drastically with the impending closure of one industry, is the minister now prepared to implement the "emergency response" segment of the Canada Works Program in the province of Newfoundland?

Hon. Bud Cullen (Minister of Manpower and Immigration): As I indicated, Mr. Speaker, our officials are meeting with representatives from the company and with governmental officials in that area to determine if and how the emergency response part of Canada Works might be made applicable. I am not in a position to make any comment on that right now.

CONSULTATION WITH PROVINCES TO CO-ORDINATE JOB-CREATION PROGRAMS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): In view of the fact there is an alarming rate of unemployment in all of the Atlantic region, and indeed right across Canada, is the minister prepared to call a federal-provincial conference to co-ordinate all federal-provincial programs in order to provide jobs in this country?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, there is close co-ordination now between the various levels of government working in concert on a particularly difficult problem in that area.

* * *

TRADE

CANADIAN POSITION ON GATT FORMULA FOR REDUCTION OF TARIFFS

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is to the Minister of Industry, Trade and Commerce. Given the concern which many areas of the secondary manufacturing industry in Canada have regarding the apparent trends of the GATT negotiations, will the minister indicate whether our negotiating team or the government has accepted or is favourably disposed to the proposed formula which calls for a reduction of about 50 per cent in tariffs?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, a discussion is now going on and a tariff reduction is proposed to improve the flow of trade exchanges across the world. Of course, the tariff problem is only one aspect of it; there is also the problem of tariff barriers which may be as important as tariffs themselves, and all that requires extremely complex negotiations which should not come to an end before 1978. We are following the situation very closely and will keep the House informed on that.

[*English*]

REPRESENTATIONS FROM APPLIANCE AND ELECTRONICS INDUSTRIES ON GATT TARIFF FORMULA—GOVERNMENT ACTION

Mr. Bruce Halliday (Oxford): Has the minister received many representations from management and labour, and in

particular is he aware of the anxieties of the workers in the manufacturing of component parts for the appliance, electronics and communications industries, and what steps is the government taking to protect their jobs should there be a cut in tariffs in these items?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, the problem is extremely complex. Of course, in some areas, a tariff reduction would foster exports of Canadian manufactured goods. In other areas, a tariff reduction could create problems for existing industries. We are looking into all aspects of the problem and hoping that the negotiations will benefit the whole country.

* * *

INDUSTRY

CLOSING OF DOMTAR PLANT AT EAST ANGUS—MEASURES TO AVOID LAY-OFFS

Mr. Claude Tessier (Compton): Mr. Speaker, may I direct my question to the Minister of Industry, Trade and Commerce?

Since the Domtar Company expects to shut down its East Angus plant, which involves the lay-off of some 570 workers and economically affects over 300 other workers, close to 900 workers all told, can the minister tell the House what measures the government can and intends to take to counteract the current economic factors and to brighten long term perspectives for pulp and paper plants, measures which could be so efficient as to prevent the disappearance of jobs for more than 900 workers, who represent more than half the labour force in the third most important town in my riding and nearly 5 per cent of the labour force of my riding as a whole?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, this is of course an extremely difficult problem. As we know, the pulp and paper industry is presently going through a rather complicated period because competition is becoming ever more difficult and because of the fact that, among other things, some of our plants have become obsolete and the hourly rate is higher than in the south of the United States, which makes the situation extremely complex.

I have not had the opportunity to review the situation of the Domtar plant in East Angus. I shall inquire to see whether there are any workable solutions and, if so, I shall be tremendously pleased to make all my departmental services available.

* * *

[*English*]

TRANSPORT

LOCK AT SAULT STE. MARIE—REDUCTION IN HOURS OF SERVICE—GOVERNMENT ACTION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is to the Minister of Transport. It deals with the present unemployment situation, particularly in northern Ontario where the unemployment rate is running in excess of 12 per cent. Will the minister reconsider his decision to reduce services in the Canadian lock at Sault Ste. Marie, a move which can only discourage the use of that lock and ultimately lead to its closure and the loss of an additional 50 jobs in the area? If that is not the minister's intention, will he undertake to see that the Sault lock is fully utilized, rather than proceed with a decision which can only aggravate the unemployment situation?

● (1450)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the hon. lady seems to have missed the facts of the case. The St. Lawrence Seaway Authority had indicated its intention to reduce the number of hours the lock was open, but after further consideration I asked the Seaway Authority to avoid this restriction at this time while the whole question of the future of a lock at that position is considered. I think it is generally agreed on all sides that for the lock to be useful over the long term a larger capacity is required than is the present case, and that very serious capital question has to be examined carefully. While this study is going on the Seaway Authority has avoided any restriction in the volume of work being provided which it had originally planned.

Miss MacDonald: A supplementary question, Mr. Speaker. Given the statement made by the minister in the House on March 29, when the proposal was made that services might be reduced in this area, is the minister now stating unequivocally that there will be no reduction of services in the lock at Sault Ste. Marie for this summer period and, indeed, into the ongoing future?

Mr. Lang: Mr. Speaker, I will send the hon. member the announcement which indicates that a restriction has been placed on any change in work until the study regarding the future of the lock is completed.

* * *

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

REQUEST FOR DELAY IN MOVING HEADQUARTERS TO HULL

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Acting Prime Minister in his capacity as Acting Secretary of State for External Affairs. When he appeared recently before the external affairs committee, the new president of CIDA stated very clearly his "grave concern" about the planned move of CIDA to new offices in Hull. His objections are based on the disruption that such a move will entail at precisely the time when major administrative reforms are being undertaken. Given these objections and the vital importance of sustaining the momentum for administrative reform at CIDA, would the minister undertake to have the matter of the move to Hull reviewed by the government with a view to postponing or stopping the move?

Hon. Allan J. MacEachen (Acting Secretary of State for External Affairs): As a beginning, Mr. Speaker, I will certainly discuss the question with the president of CIDA and determine what his misgivings are, and then discuss the matter with the Secretary of State for External Affairs.

* * *

MULTICULTURALISM

ASSISTANCE FOR TEACHING THIRD LANGUAGE IN SUPPLEMENTARY SCHOOLS—GOVERNMENT POSITION

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the Minister of State (Multiculturalism). As the result of a statement made by the former minister responsible for multiculturalism in a speech delivered in Edmonton on January 29 of this year regarding further assistance to multicultural groups, I asked the new minister of multiculturalism yesterday if he is prepared to provide assistance in connection with projects to improve teaching skills of teachers involved in third language training in Canada's supplementary schools, and as well if he is prepared to provide support for the operation of supplementary schools in third language instruction. The minister replied, in essence, that he would look into it. I would like to ask the minister if he is now in a position to give me the answer.

Hon. Joseph-Philippe Guay (Minister of State (Multiculturalism)): Mr. Speaker, I should like to inform hon. members of the government's continued intention to provide support for cultural retention for all of Canada's cultural groups. As all hon. members will recall, all parties in the House were ardent and unanimous supporters of the multiculturalism policy.

An hon. Member: You are reading your answer.

Mr. Guay (St. Boniface): Just as you read your questions. Even the right hon. gentleman raises questions once in a while and everybody reads research papers, so I do not see why I cannot read my answer.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): This policy recognized that the cultural value of many languages would not weaken the position of Canada's two official languages. I have instructed my officials to study all programming possibilities in recognizing the cultural value of heritage languages, and not only those referred to by the hon. member for Grey-Simcoe. I expect that program alternatives will be brought forward for my consideration in the very near future and that I will be able to further detail my government's position at that time. I am sure that the hon. member for Grey-Simcoe will enthusiastically support any recommendations I may make in this area as much as he has indicated his concern for the immediate implementation of the proposed programs he referred to yesterday.

[Mr. Roche.]

REGIONAL ECONOMIC EXPANSION

CLOSURE OF ELECTROHOME PLANT IN NOVA SCOTIA—SUGGESTED RECOVERY OF PORTION OF GRANTS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for either the Acting Prime Minister or the Acting Minister of Regional Economic Expansion. Unemployment continues at exceedingly high levels in Pictou county, and indeed in all of Nova Scotia, and yet another DREE assisted industry, Electrohome Limited, which has benefitted from a $1.9 million allotment from DREE, has closed its doors after shipping some of their equipment to Ontario. I should like to ask the Acting Prime Minister or the Acting Minister of Regional Economic Expansion what measures are about to be taken to recover, or at least explore the possibility of recovering, some of this DREE allotment in this industry, as in others, as is required by law, and to keep closer control over situations such as this?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I am not aware of the specific details of the case mentioned by the hon. member, but I will endeavour to get information and will get back to him as soon as possible.

* * *

ENVIRONMENTAL AFFAIRS

DRILLING IN BEAUFORT SEA—POSSIBILITY OF COMPLAINTS FROM OTHER COUNTRIES ABOUT RISK OF OIL SPILL AND CO-OPERATION ON CLEAN-UP

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is for the Minister of the Environment and concerns some of the statements made in the Berger Report about Beaufort Sea drilling. Has Canada received any representations concerning oil spill risk in the general Arctic from any of the neighbouring countries with which Canada shares the Arctic, either from the United States or from the Soviet Union? If so, can the minister advise the House what kinds of representations we have received and whether any negotiations are underway with countries in the Arctic in terms of oil spill technology, oil spill clean-up or co-operation in developing Arctic resources, in view of the very high environmental risk in that area?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I am familiar with representations made on behalf of the government of the United States expressing concern, concern which we share, about the risk involved in Beaufort Sea drilling. In fact, we have kept them closely informed of our procedures in the last year. We will also inform them of the changes we are asking for this year if drilling goes ahead. We are sharing information with the United States government. As for sharing information with the Soviet authorities, I would have to check the record to know exactly where we are with that one.

SUGGESTED INTERNATIONAL CONFERENCE ON DEVELOPMENT OF ARCTIC

Mr. Stuart Leggatt (New Westminster): A supplementary question, Mr. Speaker. Would the minister advise the House, in view of the co-operation which is needed in the Arctic, whether he favours an international conference of the polar countries in terms of the development of the Arctic; and in view of the recommendations in the report, would the minister also advise the House whether he looks favourably upon the formation of a national wilderness park on the slope, upon the whale sanctuary as outlined in the report, and also upon the bird sanctuary in the Mackenzie delta?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Well, Mr. Speaker, I will have to admit to the hon. member that having just returned to Ottawa at lunch time I have not yet had a chance to read the Berger report; I have read only press reports on the report at this time. I am certainly in favour of any exchange of information with the international community on problems which are as vital as these.

* * *

[*Translation*]

AGRICULTURE

POSSIBLE CANCELLATION OF QUOTAS FOR FLUID MILK PRODUCERS—MINISTER'S POSITION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

During the year 1976-77, fluid milk producers managed to get 25 per cent of the quotas of manufacturing milk producers through the producers' boards, which situation is unfair and has reduced some manufacturing milk producers' quotas to what they were in 1971; can the minister tell us whether he is aware of that situation and, if so, what does he intend to do to improve it?

● (1500)

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are meeting in the supply management committee tomorrow with, I hope, a majority of the ministers of agriculture concerned with this dairy problem. I understand there has been some inequity in the programs administered by the provinces and by the Canadian Dairy Commission. I do not think there are very many things which are perfect in this world, either.

[*Translation*]

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

Precisely to guarantee fairness to manufacturing milk producers, can the minister tell us whether he intends to suggest to them or their boards that they cancel present manufacturing milk quotas now held by the fluid milk producers in order to

redistribute them among the manufacturing milk producers so that their production can reflect the year 1975-76?

[*English*]

Mr. Whelan: Mr. Speaker, all the quotas that come under the jurisdiction of the Canadian Dairy Commission are administered by the provinces within the provinces. They are given a share of the national quota, and they administer them within the provinces.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF MAKING MONTREAL DESIGNATED AREA—GOVERNMENT POSITION

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

As 40 per cent of all construction workers in metropolitan Montreal are unemployed, and bearing in mind the severe rate of unemployment in the manufacturing industry in Montreal, can the minister tell the House whether he intends to make it a designated area?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): I trust, Mr. Speaker, that when the cabinet or government have taken a decision with regard to the possibility of giving assistance to the Montreal area, I shall have the wholehearted support of my colleagues of the opposition, including of course, the hon. member for Hochelaga.

* * *

[*English*]

INQUIRY OF THE MINISTRY

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the Acting Prime Minister. This is a day which is auspicious in the life of government, and I daresay of this parliament, because it marks the first anniversary of the Prime Minister's statement that separatism in Canada is dead. I wonder if the Acting Prime Minister could inform the House whether it is the intention of this government to honour this day by making any other predictions.

* * *

PRIVILEGE

MR. NYSTROM—SAFETY OF GRAIN ELEVATOR EMPLOYEES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I notified your office on Friday about a question of privilege. It was to be pursued yesterday, but the Minister of Labour (Mr. Munro) was not in the House; therefore, I wish to pursue it today.

In 1975 the minister of labour named Dean W. D. L. Finn, from the University of British Columbia, to head a one-man commission to investigate health and safety in grain elevators on the British Columbia waterfront. This commission was established following a tragic incident on October 3, 1975, in which five men died in a fire at the Burrard terminal. Dean Finn's report, which the Minister of Labour has had since October 7, details a potentially chummy relationship between some of the grain company management officials and the federal labour inspectors who have failed properly to enforce the law and safety regulations.

In his report, Dean Finn says working conditions in grain elevators are hazardous because the companies are behind the times in controlling explosive grain dust, use of electrical equipment is not up to standard, and they are casual in their use of pesticides. Not only has the governement failed to act on the Finn report, but it has failed to act following previous elevator disasters and investigations.

In the House, on April 20, 1977, the hon. member for Sault Ste. Marie (Mr. Symes) directed a question to the Minister of Labour as follows:

In view of the recent government report on health and safety conditions in the country's grain elevators, which describes working conditions as deplorable at best, will the minister inform the House what action his department will be taking to ensure that the health and safety of Canada's 31,000 grain handlers will be protected?

The Minister of Labour replied:

Yes, Mr. Speaker. I wish to thank the hon. member for his expression of interest in this particular matter. It is a particularly troublesome matter. The department has upgraded its regulations very substantially to require a much higher level of safety and attention to the environment of grain handlers working in this country. We have also appointed a commission headed by Dr. Finn of the University of British Columbia.

The Minister of Labour went on to say that the final report of that commission had not been received. Last Friday, May 6, I pursued the same matter with the Minister of Labour in response to an article which had appeared in the Vancouver *Sun* on the previous Saturday which stated that the Minister of Labour had received the final report. I asked him about that final report and he said:

Dr. Finn's group has been studying the matter. When the report is available we will do what we did in the case of the Cape Breton mines—

I went on to ask him, and I quote from *Hansard* the following:

I would like to ask the minister whether he can confirm that he has now had the report since last October 7, and some of the unions have had it for five months.

The Minister of Labour said:

We do not have the final report. The hon. member may very well be dealing with the reports and findings of Dr. Finn. As he has progressed, naturally he has made his findings available to the parties who are co-operating with him to ensure the highest standards. As these findings and views are made known, it is in the interest of all parties and, I am sure, Dr. Finn's wish, that they receive them in a piecemeal fashion, so to say, so that action can be taken concurrently with the progress of the inquiry.

He went on to say they had not received the final report. Our offices have contacted Dean Finn, who has confirmed that the minister received the final report last October. The minister has either been misleading the House, misinforming the House, or he just does not know what goes on in his department. We have also contacted numerous officials in the minister's department and they confirmed that they have had the report since last October, and that the details in the Vancouver *Sun* article which talks about the report being in the hands of the minister last October 7 are accurate. These are officials in the minister's own department.

Given the points I have already raised, that this is a serious health and safety problem and that the minister has had the report for a long time, I have to conclude the minister is misleading the House or he is being very negligent in his duties as Minister of Labour. Mr. Speaker, if you find I have a legitimate point of privilege, I am prepared to move a motion referring the apparent misleading of the House by the Minister of Labour to the Standing Committee on Privileges and Elections.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I should advise the House and the hon. member that I am pleased to detect the tremendous interest that not only the hon. member for Yorkton-Melville (Mr. Nystrom) is displaying but also that of the hon. member for Sault Ste. Marie (Mr. Symes) in this very serious situation on the west coast.

Of course, this tragedy happened some time ago. We acted with dispatch in having the union and management come together, almost immediately, with respect to the constitution of an inquiry under Dr. Finn and detailing terms of reference so that he could do an adequate job. During all this activity of an urgent nature, undertaken with sincerity not only by myself but my officials and the interested parties concerned, there was no expression of interest shown in the House of Commons by any of the opposition members. Now the question of the report is raised. It is quite true that the interpretation of my remarks could be misleading: I concede that, Mr. Speaker. The fact of the matter is that the report of Dr. Finn was given to the parties the minute it was ready in its English version so that action could be taken right away.

As I indicated in my answer to the hon. member, it is not a matter you can delay. An official report is a report that is in both official languages and in my hands in that official way. Then I can decide to table it in the House of Commons in the appropriate fashion. That is the only fashion that is appropriate in terms of the official receipt and tabling of the report, when it is ready in both official languages. We did not feel we could wait until the translation was completed. It was in the English language only, and we wanted it in the hands of the parties so that it could be acted upon. That, indeed, happened. I would expect the French version to be completed within a week to ten days.

An hon. Member: Seven months.

Mr. Munro (Hamilton East): It is a very detailed and technical report. Our translation services have had other reports which require translation. I agree that it sounds like a long time, but there is constant urging to get reports like this put into both official languages. Other priorities had to be

served. In the meantime, though, the findings of Dr. Finn have been made known to the parties for action. So the fact that the report has not been officially tabled in the House has not been allowed to delay action with respect to it.

● (1510)

That is the situation. I hope to be able to place the report in the hands of all members within the next two weeks when it can be presented in both official languages.

Mr. Speaker: The hon. member for Yorkton-Melville (Mr. Nystrom) gave the Chair notice of a question of privilege last Friday. Yesterday he indicated he would prefer to raise it in the presence of the Minister of Labour (Mr. Munro) who was unavoidably absent. Therefore, he brings it forward today. It raises the question of the possibility of the House being misled by the minister's answers concerning the tabling of a report. In any event, the minister has now explained the reason for his answers. He concedes that they may have appeared to mislead the House but places an interpretation upon his answers which absolves him of any culpability in that regard. Other members may have a different interpretation, but that falls within the area of disagreement and dispute; it does not fall within the area of privilege.

Mr. MacKay: I rise on a brief point of order, Mr. Speaker. Since I did not have an opportunity to direct my question to the Minister of Regional Economic Expansion, might I make a brief representation to him? When he speaks in the debate this afternoon, would he deal with the question of the steps which are being taken to monitor more closely DREE-assisted industries which receive substantial funding and subsequently close? What steps are being taken to recover any loss of funds which result from the failure of these companies to fulfil their commitments?

Mr. Speaker: The hon. member should realize that the Chair will not allow him to make such a brief representation.

Some hon. Members: Oh, oh!

ROUTINE PROCEEDINGS

[*English*]

PLANT QUARANTINE ACT

AMENDMENT TO ENSURE AQUATIC MAROPHYTES INCLUDED IN PLANT PEST LEGISLATION

Mr. G. H. Whittaker (Okanagan Boundary) moved for leave to introduce Bill C-419, to amend the Plant Quarantine Act.

He said: The purpose of this bill is to amend the Plant Quarantine Act to ensure that aquatic plants coming into Canada, for example in aquariums containing exotic fish, are not subject to infection, so that noxious weeds such as Eurasian water milfoil do not get into our water systems.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 926, 1,211, 1,212, 1,251, 1,468, 1,713, 1,848, 1,860, 1,932, 2,001, 2,012, 2,051, 2,060, 2,230, 2,271, 2,274, 2,275, 2,293 and 2,366.

[*Text*]

RESEARCH INTO CAUSES OF CANCER

Question No. 926—**Mr. Muir:**

In each year since 1965, what has been the total federal allocation to basic research directed towards an understanding of the causes of cancer?

Hon. Marc Lalonde (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned:

	Research (average) (Including testing and salaries)	Evaluation (Including evaluation and salaries)
1975-1976	$75,000	$50,400
1974-1975	75,000	43,500
1973-1974	75,000	27,500
1972-1973	75,000	17,600
1965-1972	240,000 (Estimated)	

In so far as the Medical Research Council is concerned:

1975-1976	$4,751,819
1974-1975	4,387,506
1973-1974	3,752,149
1972-1973	3,515,318
1971-1972	3,316,297

NOTE: Information for the years previous to 1971-72 is not available.

NON-MEDICAL USE OF DRUGS DIRECTORATE

Question No. 1,211—**Mr. Stanfield:**

What, if any, are the criteria employed by the Department of National Health and Welfare's Non-Medical Use of Drugs Directorate in determining which groups, associations, projects, agencies or individuals qualify for a contribution or grant for (a) information/education projects (b) innovative projects (c) research, sociological and biomedical studies dealing with the non-medical use of drugs?

Hon. Marc Lalonde (Minister of National Health and Welfare): (a) and (b) Through the Alcohol, Tobacco and Drug Resources Fund, the Department of National Health and Welfare's Non-Medical Use of Drugs Directorate makes contributions to projects which meet the directorate's national program goals. These goals are defined within well-established

major result areas, of which the following relate more specifically to the Alcohol, Tobacco and Drug Resources Fund: effective information and advocacy programs; effective education programs; effective means of early identification and intervention; effective treatment and rehabilitation measures. The explicit purposes of the fund are: to facilitate community mobilization and action that support the achievement of priority goals; to experiment with and demonstrate the effectiveness of new programs or methodologies that have application beyond the immediate location of the project; and to facilitate joint action with one or more provinces, voluntary or professional groups or businesses where such action will facilitate achievement of priority goals and will have application beyond the immediate location of the project. Any public or private health or social service agency, community or citizens' organization or individual, with demonstrated ability to conceptualize, develop and manage demonstration projects in the above-noted areas, is eligible for consideration for financial support under the Alcohol, Tobacco and Drug Resources Fund. (c) The extramural research programs of the Non-Medical Use of Drugs Directorate have as their primary function the encouragement and support of research directed to providing information about all facets of the non-medical use of drugs. The directorate is particularly interested in research projects which will result in the development of scientific information pertinent to prevention, treatment and rehabilitation programs dealing with problems associated with drug abuse. Applications are assessed for scientific merit with particular reference to the adequacy of the methodology including specification of the subject sample, procedures, statistical design and analysis, when appropriate. Investigators holding an academic appointment in any Canadian educational institution, having an affiliation with an accredited treatment facility, or holding an appointment in a private or public research laboratory are eligible to apply for research support under this program. Occasionally proposals from other persons possessing less formal qualifications for research but having special interest and opportunities relevant to the NMUD priorities will be considered for support.

NON-MEDICAL USE OF MOOD-ALTERING SUBSTANCES PROGRAM

Question No. 1,212—**Mr. Stanfield:**

What, if any, are the criteria employed by the Department of National Health and Welfare under the Non-Medical Use of Mood-Altering Substances Programme in determining which groups, associations, projects, agencies or individuals qualify for a contribution or grant for (a) information/education projects dealing with the non-medical use of drugs (b) innovative projects dealing with mood-altering substances (1975-76) (c) research, sociological and biomedical studies dealing with the non-medical use of drugs?

Hon. Marc Lalonde (Minister of National Health and Welfare): (a), (b) and (c) Please see answer to Question No. 1,211 answered this day.

[Mr. Lalonde.]

REPORT ON RAILWAY PENSIONS

Question No. 1,251—**Mr. Jones:**

1. Will the report on railway pensions be tabled in the House and, if so, on what date?

2. Is the delay in tabling due to translation difficulties and, if so, will the government consider tabling the English version immediately?

3. Will the report be implemented and, if so, on what date?

Hon. John C. Munro (Minister of Labour): 1 and 2. It is not customary to table industrial inquiry commission reports, but the report was released in both official languages to all concerned, including members of parliament, at the end of January, 1977.

3. Implementation of the report will be up to all parties concerned after full consideration of its implications.

STORAGE OF POWDERED MILK AND BUTTER

Question No. 1,468—**Mr. Baker (Grenville-Carleton):**

What was the amount of (a) powdered milk (b) butter in storage in Canada as of December 31, 1976 and, in each case, in what locations and in what quantities?

Hon. E. F. Whelan (Minister of Agriculture): (a) Stocks for skim milk powder held by the Canadian Dairy Commission, not including stocks held by the private trade, at December 31, 1976, were as follows:

Province	Pounds
Maritimes	1,818,100
Quebec	249,140,850
Ontario	20,924,250
Manitoba	7,740,700
Alberta	13,802,350
Saskatchewan	3,460,150
British Columbia	546,900
Total in Canada	297,433,300

(b) Stocks for creamery butter held by the Canadian Dairy Commission, not including stocks held by the private trade, at December 31, 1976, were as follows:

Province	Pounds
Maritimes	632,072
Quebec	33,197,472
Ontario	6,308,792
Manitoba	520,408
Alberta	334,488
British Columbia	3,879,624
Total in Canada	44,872,856

STUDENT SUMMER EMPLOYMENT PROGRAMS

Question No. 1,713—**Mr. Howie:**

For the year 1976, did the Department of National Health and Welfare have any student summer employment programmes in (a) Canada (b) New Bruns-

wick and, if so, in each case (i) what were they (ii) how many persons were given direct summer employment and what were the wages (iii) what was the cost?

Hon. Marc Lalonde (Minister of National Health and Welfare): In 1976, the Department of National Health and Welfare sponsored summer student employment through the following channels: The Health Activities Summer Employment Program (HASEPS) provided students with work experience in the health field through the funding of projects undertaken by volunteer health and health related organizations. The Non-Medical Use of Drugs Support to Community Agencies Program provided students with employment through projects funded for the purpose of gathering and distributing information on the Non-Medical Use of Drugs or evaluating the existing programs and services. The aim of the program was to support communities in their endeavours to cope with problems of drug abuse with a high priority given to problems related to abuse of alcohol. Through normal direct summer hiring the department was able to provide summer employment to students. (a) and (b) (i), (ii) and (iii):

	(i) Number of Students	(ii) Wages and Benefits	(iii) Operational Costs
HASEPS Program			
Canada	381	$575,139.34	$47,113.03
New Brunswick	21	$ 29,246.47	$ 2,012.00
Non-Medical Use of Drugs Support to Community Agencies Program			
Canada	194	$388,666.00	$62,104.00
New Brunswick	10	$ 17,091.00	$ 1,264.00
Direct Departmental Hiring			
Canada	117	$297,648.60	operational costs
New Brunswick	nil	nil	New Brunswick nil
	Total Number of Students 692	Total Wages and Benefits $1,261,453.94	Total Operational Costs $109,217.03

NOTE: (iii) Operational Costs: HASEPS: Operational costs for projects were allowed for approved HASEPS projects in an amount not to exceed 10 per cent of salary expenses. These costs covered expenses for the successful completion of a project such as printing, travel, telephone, rental of equipment and office supplies. The Non-Medical Use of Drugs Support to Community Agencies Program: Operational costs represent expenditures incurred by projects such as rental of premises, telephone, transportation, printing and office supplies. Operational costs were not to exceed 15 per cent of salary expenses. Normal direct summer hiring: The cost for direct departmental hiring involved the use of continuing departmental staff and hence is not separately identifiable.

PONCEAU SX (RED DYE No. 4)

Question No. 1,848—**Mr. Yewchuk:**

By category and brand, to which prepared foods on sale in Canada is it permitted for a manufacturer to add Ponceau SX (Red Dye No. 4)?

Hon. Marc Lalonde (Minister of National Health and Welfare): Ponceau SX may be added to the following categories of foods: fruit Peel; glazed fruits; maraschino cherries. The Food and Drug Regulations do not, at present, require manufacturers of food products to inform the Health Protection Branch of the presence of this colour in their products.

FOREIGN CONTRACTS FOR COIN PRODUCTION

Question No. 1,860—**Mr. Huntington:**

1. Are the new foreign contracts for coin production with Bangladesh, Barbados, Costa Rica, Israel, Nicaragua, Panama and Portugal on a cash payment basis and, if not, are they financed through CIDA and/or EDC?

2. If such contracts are financed through CIDA and/or EDC, what are the terms in each case?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by Supply and Services Canada and Export Development Corporation as follows: 1. The only contract assisted financially by CIDA is the one with the government of the People's Republic of Bangladesh.

2. CIDA, through a commodity grant, has participated in the Bangladesh order by providing shipping costs and metals from which the coins are made. The Government of Bangladesh pays the RCM for all other production costs via an irrevocable Letter of Credit.

1 and 2. Export Development Corporation has no contract.

HANSEN'S DISEASE

Question No. 1,932—**Mr. Epp:**

1. How many documented cases of Hansen's disease (Leprosy) exist at the present time in (a) British Columbia (b) Alberta (c) Saskatchewan (d) Manitoba (e) Ontario (f) Quebec (g) New Brunswick (h) Nova Scotia (i) Prince Edward Island (j) Newfoundland?

2. How many documented cases of Hansen's disease existed in Canada in (a) 1965 (b) 1970 (c) 1975?

Order Paper Questions

3. What record is there in Canada of contagion of Hansen's disease, either in the traditional way, or through the possibility of genetics?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. (a) British Columbia 9; (b) Alberta 5; (c) Saskatchewan 2; (d) Manitoba 6; (e) Ontario 68; (f) Quebec 8; (g) New Brunswick 0; (h) Nova Scotia 0; (i) Prince Edward Island 0; (j) Newfoundland 1.

2. (a) 38; (b) 51; (c) 92.

3. Information available on record indicates that less than one third of the registered cases of Leprosy may still be infectious. All of those infected persons, with only one possible exception, acquired the disease outside of Canada, while residing in endemic areas. Effective treatment is available and communicability is considered low. There is no evidence to indicate that genetic factors play a role in the actual transmission of Hansen's disease.

ESTABLISHMENT OF A CANADIAN SOURCE OF SUPPLY FOR INFLUENZA VACCINES

Question No. 2,001—**Mr. Yewchuk:**

Did the Armand Frappier Institute receive government funding in 1976 for the purpose of establishing a Canadian source of supply for influenza vaccines and, if so, in what amount?

Hon. Marc Lalonde (Minister of National Health and Welfare): Yes. During the fiscal year 1975-76, the Armand Frappier Institute received $200,000 from the Department of National Health and Welfare to establish a Canadian source of supply for influenza vaccines.

OLD AGE SECURITY

Question No. 2,012—**Mr. Knowles (Winnipeg North Centre):**

1. How many persons in Canada, and in each province, are in receipt of the Old Age Security pension?

2. Of the recipients of the Old Age Security pension, how many persons in Canada, and in each province, are in receipt of the Guaranteed Income Supplement?

3. Of those receiving the Guaranteed Income Supplement, how many persons in Canada, and in each province, are receiving the full amount?

4. What is the average amount, in Canada, and in each province, being received as a Guaranteed Income Supplement by recipients of the Old Age Security pension?

5. Do the answers to the above questions take into consideration persons living outside of Canada who are in receipt of the Old Age Security pension and, if so, how many of such persons are there, and if they are considered as belonging to the various provinces, what is the number for each province?

Hon. Marc Lalonde (Minister of National Health and Welfare):

Province or Territory	1 Number of people receiving OAS	2 Number of people receiving GIS	3 Number of people receiving maximum GIS
Newfoundland	37,419	30,714	19,607
Prince Edward Island	13,376	9,915	4,578
Nova Scotia	81,146	54,191	24,453
New Brunswick	61,560	41,109	19,231
Quebec	489,582	308,122	144,656
Ontario	734,286	342,128	105,916
Manitoba	107,188	61,951	21,441
Saskatchewan	103,300	56,901	20,439
Alberta	136,764	78,229	29,214
British Columbia	237,687	123,942	44,457
Northwest Territories	1,089	839	720
Yukon	584	330	223
Total	2,003,981	1,108,371	434,935

NOTE: The above figures represent persons in receipt of OAS/GIS as of December 1976.

4. The average amount of guaranteed income supplement received in Canada is $77.29. By province, the average guaranteed income supplement received is as follows: Newfoundland, $84.40; Prince Edward Island, $80.22; Nova Scotia, $80.24; New Brunswick, $81.90; Quebec, $81.35; Ontario, $73.12; Manitoba, $75.52; Saskatchewan, $76.76; Alberta, $76.11; British Columbia, $75.52.

5. Yes. People who receive the Old Age Security Pension outside of Canada are paid from the regional office in the province in which they last resided. The statistical breakdown is as follows:

Province	Number of people receiving the Old Age Security pension outside of Canada
Newfoundland	96
Prince Edward Island	72
Nova Scotia	418
New Brunswick	351
Quebec	3,484
Ontario	5,522
Manitoba	576
Saskatchewan	366
Alberta	644
British Columbia	2,399
Total	13,928

NOTE: The above figures represent persons receiving the Old Age Security payments abroad as of December 1976.

CHEDDAR CHEESE PRODUCTION IN ALBERTA

Question No. 2,051—**Mr. Schellenberger:**

1. During the past three years, what was the cheddar cheese production in Alberta as compared to Canada?

2. In what category has the cheddar cheese produced in Alberta been classified by inspectors of the Department of Agriculture?

Hon. E. F. Whelan (Minister of Agriculture): 1.

	Alberta (pounds)	Canada (pounds)
1974/75	4,966,000	190,560,000
1975/76	6,838,000	179,399,000
1976/January 77	5,723,000	145,674,000

2.	First Grade (pounds)	Undergrade (pounds)	Not Graded* (pounds)
1974/75	4,027,000	711,000	228,000
1975/76	4,750,000	1,163,000	925,000
1976/January 77	4,608,000	342,000	773,000

*Grading of cheddar cheese is not mandatory pursuant to the Canada Dairy Products Act and Regulations.

ANIMAL DISEASES

Question No. 2,060—**Mr. Schellenberger:**

1. At federally inspected livestock sales yards, are veterinarians in any way held responsible for the sale of diseased animals?

2. Has the Health of Animals Branch of the Department of Agriculture considered IBR as an infectious contagious disease and, if so, will it place special emphasis on inspecting and then advising the purchaser of the seriousness of the disease?

3. Will the government institute in public yards educational posters and pamphlets advising purchasers to isolate all animals purchased for sales yards for a number of weeks in order to eliminate much hardship?

Hon. E. F. Whelan (Minister of Agriculture): 1. A veterinarian is at each terminal stockyard to inspect animals for evidence of disease, and animals showing clinical symptoms are not released for breeder or feeder purposes.

2. Yes. IBR is not uncommon in Canada, and most livestock owners are aware that an acute outbreak can have serious consequences. Wherever possible, the Health of Animals Branch advises purchasers about IBR.

3. The Health of Animals Branch has always recommended isolation of additions to a herd. IBR is not a disease condition dealt with under the Animal Disease and Protection Act and Regulations and, therefore, there is no plan to institute educational posters and pamphlets on this disease in public yards, at the federal level.

CONSTRUCTION OF GUY FAVREAU CENTRE—MONTREAL, QUEBEC

Question No. 2,230—**Mr. Herbert:**

1. Has it been established when construction will start on the Guy Favreau Centre in Montreal?

2. What work has been authorized to design teams and what was the suggested date for completion of authorized design work?

Hon. Judd Buchanan (Minister of Public Works): 1. No.

2. Design teams have been authorized to proceed with the preparation of structural, electrical, mechanical and architectural working drawings. No date for completion of the authorized design work has been set.

GRAIN ELEVATORS

Question No. 2,271—**Mr. Neil:**

What (a) is the present capacity (b) has been the throughput for the past three crop years, of the terminal elevators located at the Pacific Coast, Churchill, Thunder Bay and the various eastern transfer elevators?

Hon. E. F. Whelan (Minister of Agriculture):

Present Capacity, Receipts and Shipment at Pacific Coast, Thunder Bay, Churchill, Eastern Transfer Elevator
Crop Years 1973-74 to 1975-76

					Eastern Transfer Elevators		
	Pacific Coast	Thunder Bay	Churchill	Bay Ports	Lower Lake Ports	St. Lawrence Ports	Maritime Ports
			-bushels-				
(a) Capacity	26,818,500	85,768,100	5,000,000	34,050,000	17,100,000	62,950,000	8,229,300
(b) Receipts							
1973-74	252,468,015	479,919,513	19,033,118	55,389,786	34,379,852	343,190,986	26,290,864
1974-75	213,138,751	442,469,640	22,964,227	53,382,062	39,294,842	315,041,373	30,490,864
1975-76	263,682,683	512,212,943	23,272,878	79,713,075	42,532,785	406,482,462	38,212,338
(b) Shipments							
1973-74	254,797,094	482,128,525	18,846,126	49,489,589	31,040,137	322,262,685	25,518,635
1974-75	210,863,482	439,809,652	22,739,461	62,335,642	36,751,546	305,001,459	32,322,946
1975-76	260,332,799	520,071,783	23,775,504	69,589,555	43,793,171	408,496,220	34,773,088

RESEARCH AND DEVELOPMENT GRANT—RED-HEADED PINE SAWFLY

Question No. 2,274—**Mr. Beatty:**

What is the expected benefit to the taxpayer to be derived from his contribution of $53,342 to Department of Supply and Services' Research and Development grant number 01SU KL013-6-0045 (OSU76-00226) entitled "Tests to demonstrate the safety of an insect virus-nuclear polyhedrosis of the redheaded pine sawfly"?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): DSS contract number O1SUKL013-6-0045 (0SU76-00226), the correct title of which is "Tests of mammalian infectivity and/or toxicity of the nuclear polyhedrosis virus of the red-headed pine sawfly, *Neodiprion lecontei* (Fitch)", is part of an on-going research program to develop more effective and safer pest insect control methods. The red-headed pine sawfly is a serious pest of red pine plantations in southern and central Ontario and south-central Quebec. It causes extensive mortality in young red pine plantations, and damage to jack, Scots, and other pines. These safety trials will provide information required to register the virus for operational use. Once the virus has been registered, the forest manager will have an economical, effective, and environmentally acceptable alternative to the chemical insecticides which must now be used for the control of the red-headed pine sawfly. Treatment will be effective over several years, thus avoiding repeated annual treatments.

Order Paper Questions

DND GARBAGE REMOVAL AND DISPOSAL CONTRACT OTT76/24969/1

Question No. 2,275—**Mr. McKinnon:**

Is the cost of DND garbage removal and disposal contract, OTT76/24969/1 for the sum of $486,619, let to Charette's General Trucking of Petawawa, Ontario, over ten times the average of four other garbage contracts published in the Weekly Bulletin of Business Opportunities Volume 4, Number 9 and, if so, for what reason?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): No. The contract OTT76/24969/1 is for a period of four years while the other contracts listed are for one or two years. The five contracts are not comparable in terms of the number of pick-up points, frequency of pick-ups, population at the bases or stations and type of service, i.e. containerized vs compacter trucks.

GRANT TO BÉLANGER-TAPPEN COMPANY FOR CONSTRUCTION OF PLANT AT ST. BRUNO, COUNTY OF CHAMBLY

Question No. 2,293—**Mr. Lambert (Bellechasse):**

Did Bélanger-Tappen Company request a grant for the construction of a refrigerator plant at St-Bruno, County of Chambly and, if so, has any decision been taken by DREE?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: No. The County of Chambly is not located within the designated area of Quebec under the Regional Development Incentives Act.

NUMBER OF PERSONS IN OFFICIALLY RECOGNIZED SENIOR CITIZEN HOUSING ACCOMMODATION

Question No. 2,366—**Mr. Baker (Grenville-Carleton):**

Does the Department of National Health and Welfare keep records of the number of persons in officially recognized senior citizen housing accommodation and, if so, how many (a) are in such accommodation (b) receive the guaranteed annual income supplement in addition to the basic pension?

Hon. Marc Lalonde (Minister of National Health and Welfare): No. (a) and (b) Information unavailable.

[*English*]

Mr. Clarke: I rise on a point of order, Mr. Speaker. I am not celebrating an anniversary such as that referred to by the hon. member for Grenville-Carleton, but today marks six months since Question No. 1,019 was placed on the order paper on November 10 last. I realize that many dozens of questions are older than that. Some have been on the order paper since October 12, the first day of the second session of the thirtieth parliament. I should like to remind the parliamentary secretary that it is an easy question, one which does not require great study. It concerns federal expenditures on public transportation facilities, and it would be very helpful if the government could answer it soon.

Mr. Goodale: The hon. member raised this point with me informally in the last day or two. I did make some inquiries to determine where the matter stands at the present time. I think it is fair to say that the question is not as simple as the hon. member suggests. I might also draw attention to the fact that in the course of this session nearly 2,500 questions have been placed on the order paper and that almost 70 per cent of them have been answered already. We are endeavouring to answer all questions as quickly as possible.

Mr. Baker (Grenville-Carleton): Mr. Speaker, on Monday the parliamentary secretary was kind enough to inform me that Question No. 642 would be answered today. I presume something occurred to prevent the answer being made available. Is it the intention to answer this question tomorrow?

Mr. Goodale: I am not sure I can give an undertaking that it will be answered tomorrow, but I think it will be in the near future.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO IMPROVE EMPLOYMENT SITUATION

Mr. David MacDonald (Egmont) moved:

That in the opinion of this House, the government's abandonment of its commitment to develop strong regional economies and its failure to give priority to regional needs in designing national fiscal, transport, energy and trade policies has resulted in a crisis of economic stagnation and unprecedented unemployment in Quebec and the Atlantic provinces.

He said: Mr. Speaker, there has been such day to day concern about the basic fabric and future of this country among Canadians that those who live outside the five eastern provinces tend to overlook the existence of a deepening and widening crisis with respect to the lives and, indeed, the possibilities open to those who live in Atlantic Canada and Quebec. This debate is about Quebec and the Atlantic provinces, presently in the grip of record unemployment and economic stagnation, two regions which would not be in such a position today had the government gone even halfway toward living up to its promise of the late sixties to eradicate regional economic and social disparities.

This debate is about regional development. It is not about the Department of Regional Economic Expansion because the indifferent record of DREE in implementing lasting solutions to what the Economic Council of Canada has described as intolerable levels of disparity across Canada is only one aspect of the government's sad abandonment of this country's have-not regions and their aspirations. This debate is about the indifference, callousness, insensitivity and forgetfulness shown with regard to the legitimate economic needs of Quebec and

Atlantic citizens especially on the part of the Prime Minister (Mr. Trudeau) and his cabinet colleagues responsible for finance, energy, transport, industry and manpower, to name only a few.

More important still, this debate is about the 408,000 people in eastern Canada who are without jobs, and what this means in terms of their ability to participate in the affairs of Canada, both today and tomorrow, and make a contribution to its development as equals. As a party which is prepared, when it forms a government, to take seriously its responsibilities as they concern the basic needs of those who live in the five eastern provinces, we bring these matters forward.

When you strip away the rhetoric which has been used by the Prime Minister and his colleagues, the fact is that the commitment which was made in the late sixties has not been met. Rather than being reduced, the disparity between the regions has widened. Economic differences have become more exaggerated and more critical. To eradicate or even chip away at disparity, the have-not regions must grow at a rate not just equal to the national level but faster than their wealthier neighbours in the other provinces. Not only has this not been occurring, but it is a fact that we are growing at an even slower pace.

● (1520)

I want to document that in a number of ways, but perhaps nothing stands out more clearly in the failure of this government adequately to deal with regional disparity than the comparison of rates of unemployment between 1970, a year after the department was created, to the end of 1976. In 1970, as the department was getting started in its responsibilities, the unemployment rate in Canada was 5.7 per cent. In the Atlantic provinces it was 6.2 per cent. There was something like an 8.7 per cent differential between the Canadian and the Atlantic averages. In 1971, Canada's rate of unemployment was 6.2 per cent and in the Atlantic region it was 7.1 per cent. In 1972, in Canada it was 6.2 per cent, and in the Atlantic region it was 7.8 per cent. In 1973, in Canada, it was 5.6 per cent, and in the Atlantic region it was 8 per cent. In 1974, in Canada, it was 5.4 per cent and in the Atlantic region it was 8.5 per cent. In 1975 it was 6.9 per cent for Canada, and 9.9 per cent for the Atlantic region. In 1976, 7.1 per cent for Canada and 11 per cent for the Atlantic region.

This indicates an increase in those seven years, during the presumed commitment of the federal government to alleviate regional disparity, of an unemployment rate that started by being 8.7 per cent greater than the national average and at the end of last year stood at 55 per cent greater. If that is evidence of the kind of commitment or performance of the government, then heaven deliver us from it because it is certainly not something that citizens in Atlantic Canada or Quebec can afford for a minute longer.

I want to indicate the implications of this in terms of the present situation with respect to private investment, something that this government has theoretically addressed in recent budgets. The disparity is widening in private investment, the crucial source of new jobs and higher incomes in any region. In terms of the capital investment intentions of the private sector in manufacturing, for Canada they are up by a very modest 3.5 per cent, but for Newfoundland they are down 11.6 per cent; for Prince Edward Island, down 35.6 per cent; for Nova Scotia, down 8 per cent; for New Brunswick, down 11.6 per cent; and for the Atlantic region as a whole, they are down 10.7 per cent. As I said a moment ago, they are up for Canada by 3.5 per cent.

It is obvious that the disparity is widening in productivity and output. In terms of the real domestic output for 1976, the Canadian average was 4.6 per cent, but Quebec suffered the lowest rise of all ten provinces, with 2.9 per cent. In the other eastern provinces there was a domestic rise of 3.1 per cent in Newfoundland to 3.8 per cent in Nova Scotia, all well below the Canadian average. It is obvious that disparity is widening in unemployment where after each successive business downturn the gap between the rest of Canada and Quebec and the Atlantic provinces does not only remain greater but is increased. Last year, with almost half of Canada's unemployed in the five eastern provinces, only 18 per cent of the new jobs were created in those five provinces, and the Minister of Finance (Mr. Macdonald) had the gall in a speech which he made recently on his latest budget to admit that his budget is not going to change the situation during the upcoming year. That is some commitment to the alleviation of regional disparity!

I believe it is possible to identify two highly significant reasons why the present government, with the vast resources at its disposal, has presided over the widening of the disparity gap between our regions. The first is that they have depended almost totally on transfer payments by the two individual governments as a solution to disparity. They have done almost nothing to help our so-called have-not regions to develop the economic base necessary to sustain themselves. For instance, in 1975-76 we find that the Department of Regional Economic Expansion spent in the Atlantic provinces a total of $204 million. That compares with equalization and transfer payments to provincial governments of $1.2 billion. The productive investment in the Atlantic region, therefore, amounted to less than one-sixth of the moneys that were spent there for the maintenance of services on a provincial basis. This does not even take into account the additional $1.3 billion spent in the regions under family allowances, pensions and unemployment insurance.

All of this is bad enough, but if you compare the figures that were tabled a few nights ago by the minister responsible for DREE (Mr. Lessard) in the committee, you will see the alarming developments that are taking place with respect to the expenditure of federal funds. In 1971-72, DREE program expenditures were listed at $141.2 million, while equalization and transfer payments to provincial governments stood at $696.2 million. In 1975-76, however, DREE program expenditures had only increased, as I said, to $204 million, whereas equalization and transfer payments had risen to $1,238.4 million, indicating that the program expenditures of DREE,

the money that is being expended to create employment, to create a more productive climate, has increased something like 65 per cent over that five-year period—65 per cent to 70 per cent—but the transfer payments for that same time period increased well over 90 per cent. This gives an indication of the lack of awareness or commitment in the performance of the present government with respect to dealing effectively with long-term and chronic unemployment situations.

It seems to me that the inability to realize development opportunities in eastern Canada has its most direct impact on employment. By 1974, as a direct result of the negative balance of trade between the Atlantic region and the other provinces, there was a net imbalance of some $1.5 billion, with a loss to the region of 60,486 jobs, meaning, quite frankly, that what we are faced with here by the administration of this government is a program of greater and greater dependency in which we may be in some way or other sustaining or maintaining a capacity to consume in the Atlantic provinces, but we are moving farther and farther away from creating viable, effective and self-actuating economies where employment can be created in the Atlantic region.

I realize that no single department can be expected by itself successfully to carry out the task of eradicating disparity, and that is why I said at the outset that I do not want to deal here exclusively or even primarily with DREE. I believe, as a matter of fact, that there must be the most closely co-ordinated policies and programs of all major federal departments. My colleagues, during the course of the debate today, will outline in specific terms what we expect to hear from the departments which manage transportation, energy, fiscal and tariff questions.

I want particularly to deal with the whole question of the fiscal responsibility of the government, because I believe it to be so crucial. As the minister well knows, I have discussed this with him. An initiative was taken within the context of the last budget, the principle of which I believe to be very important. The performance of the actual initiative taken, I think, was nothing more than a throw-away on the part of the government, and I want to deal with that in some substance. The Economic Council of Canada's recent study on regional disparity, entitled, "Living Together", focused much of its discussions on the unrealized potential of fiscal matters as a development tool. They said in one of their recommendations:

> We recommend that the mix of fiscal policy instruments used by the federal government . . . be chosen in such a way as to increase the proportion of national demand going to high unemployment regions.

Therefore, we are not alone in our view that the Minister of Finance should play a special, if not a central, role in regional development. To begin with, we have the failure to date of any kind of active role on the part of this Minister of Finance and this government to recognize, much less to do anything, about the serious inequalities of the Canadian banking system which, in its performance at least, appears to discriminate against the low-growth regions which reinforce their position in the Canadian economy as consumers instead of producers.

[Mr. MacDonald (Egmont).]

• (1530)

If we look at the situation in the first quarter of last year in the Atlantic area, which has almost 10 per cent of Canada's population, in terms of business loans we find that we received 7.3 per cent of business loans, amounting to less than $200,000; 6.7 per cent of business loans, amounting to between $200,000 and $1 million; 6.6 per cent of business loans, between $1 million and $5 million; and 4.7 per cent of those loans over $5 million. Yet with respect to personal loans, those which foster consumption rather than production, the region received more than its share from the Canadian banks, a little over 10 per cent.

Perhaps we can understand why we would not receive the $5 million-plus loans, because we know that in the Atlantic region we operate primarily on a smaller scale with respect to our industrial structure; but in a non-discriminatory financial system we should expect this deficiency to be overcompensated in the small loans category. Yet even for loans guaranteed under the Small Businesses Loans Act only one of the chartered banks even comes close to compensating for the low level of large loans going to the Atlantic region.

To give an idea of the situation as it stands at the present time, the Royal Bank directed 7.8 per cent of its lending under the Small Businesses Loans Act in 1975 to the Atlantic region; Canadian Imperial, 8.3 per cent; Bank of Montreal, 8 per cent; Toronto-Dominion, 0.5 per cent. All chartered banks averaged 8.9 per cent, and the only exception to this record of discrimination was the Bank of Nova Scotia, with 13.8 per cent.

In the creation of permanent jobs in eastern Canada we are obviously going to depend heavily on the private sector, which must be assured access to capital funding if it is to expand. Obviously, these figures are of critical importance to the future role private investment can play in the Atlantic region. Yet in the government's proposals for reform in the Canadian Banking system contained in the white paper on banking last August, no mention was made of the problem of making banks more responsive to the have-not regions' needs. There was no mention of how banking structures might be decentralized to promote local sensitivities. There was no mention of ways in which interest rates or collateral requirements can be made more equitable for the small businessman. There was no mention about how the banks might imaginatively be used to promote new entrepreneurship in low-growth areas. I mention these facts because I think the federal government has a leadership role to play, and to date there has certainly been no such role played by the Minister of Finance. Nor have I heard any of his colleagues, including the Minister of Regional Economic Expansion, address themselves to what I believe is a very critical matter.

The failure of the Minister of Finance to take into account the critical needs of our have-not regions is again manifest in the tariff system for which he bears primary responsibility. I believe our tariff system creates enormous difficulty for the underdeveloped regions of the country. It is a system, if I can use a phrase which will have some reminiscences to it, of "loser pay" which protects some of the industrialized portions of the

country while thwarting development initiatives in the have-not areas. Even the government of Ontario—Ontario being the industrial heartland of Canada—has recognized the difficulties, the discrimination and bias of our tariffs and publicly stated as recently as its most recent budget that there will be a gradual phase-out and change with respect to the situation concerning tariffs.

By 1974 the people of Atlantic Canada were losing, on balance, $178,516,000 annually, as a result of our tariff system, to other provinces. To put that amount into perspective, it is just under the total combined DREE budget for the four Atlantic provinces in 1975-76 or 2½ times DREE spending under RDIA in the region since the program began in 1969. Our tariff structures are truly a system of "loser pay" as far as the Atlantic region is concerned.

However, perhaps no single act better reflected the insensitivity to regional needs of the Minister of Finance than his latest budget. It was an inadequate, almost insulting response to the short-term job needs of Quebec and Atlantic Canada, with its 600,000 man-months or 18½ days of work during the next year for each unemployed Canadian. The budget was, quite frankly, a message of despair for millions of Canadians. It has been common knowledge for decades that in times of economic slowdown, regions such as Quebec, and especially Atlantic Canada, are first to be hit by any kind of restraint program which the federal government might exercise, and the last to recover. Yet the budget ignored this elementary fact about the Canadian economy.

There was a refusal to re-examine seriously, as was called for by the leader of my party and by others, government spending priorities in order to bring on stream various labour-intensive projects in eastern Canada. We need not just an expansion of short-term job creation which will in most instances leave nothing economically permanent in the community; we need to look at some major job creation projects which will be increasingly valuable in the future.

The hon. member for Cumberland-Colchester North (Mr. Coates) has repeatedly suggested over the years that there is a tremendous advantage to using Fundy tidal power. Energy is certainly a major cost factor, and this adds a further element of disparity. The government should take an imaginative and positive role with respect to that project. That would do an enormous amount of good for the whole Atlantic region.

The budget was silent on the development needs of the have-not regions except for one single, lonely measure. It proposed an additional investment tax credit above the national allowance of 5 per cent for the Atlantic provinces and Gaspé region, and 2.5 per cent for the remainder of Quebec. This is a measure about which the Minister of Regional Economic Expansion appears almost ecstatic, to the point where, without meaning to do so, he mislead this House in saying that it is the first time the Canadian tax system has recognized that there are differences between the various parts of the country. I want to remind the minister that it is not the first time. It is not even the second time. The right hon. member for Prince Albert (Mr. Diefenbaker) recognized the importance of tax policy as an instrument of regional development as far back as the budget of December 20, 1960, as did the late Prime Minister Pearson in the budget of June 13, 1963.

I can understand the minister waxing enthusiastic in those rare instances when one of his colleagues in the cabinet takes note of regional needs. However, instead of misleading us about the significance of this tax measure, I wonder why the minister did not choose to spell out its impact on the have-not regions.

The budget documents say that extension and enrichment of the investment allowance will put $385 million back into the hands of business. They do not say how much additional funds will go to business in areas starved for investment. Will it be $150 million, $50 million, or $5 million? Yet we are expected to take the minister's word that this is a significant measure in aid of those regions. How effective is this measure to be in generating new investment? How many jobs will it create? I hope the minister will have an opportunity to tell us during the course of this debate. In the face of the government's silence on these essential questions it is difficult not to conclude that this special tax allowance is either not all it is made out to be or, worse still, is next to useless.

There are other questions about this tax allowance which the government, it seems to me, has ignored. Why is the measure only good for three years? Where did those 5 per cent, 7.5 per cent and 10 per cent figures come from? What analysis were they based on which showed that these were the ideal differentials needed to promote regional investment? In fields such as research and development I would have thought something in the range of a 75 per cent to a 100 per cent tax allowance would be required in the Atlantic region. But no, the budget assumes that a simple 5 per cent above what industry in the rich provinces receives will be sufficient to bring research relevant to Atlantic needs up from its present near-zero level. In other words, the government has taken a commendable principle—and I have told the minister it is a commendable principle—of making the tax system sensitive to regional needs, and is now proceeding to bury it with tokenism.

I believe there is enormous potential in the use of federal fiscal powers to combat disparity and equalize opportunities among our regions. Why this government has not risen to the challenge is beyond comprehension. There is much that could be accomplished in promoting regional development goals at the very basis of those structures and institutions which govern our economy. There is much to be achieved in creating new jobs and new investment. Government spending is up, the federal tax intake is up and the national deficit is up, yet the Minister of Finance cannot find any money for worth-while programs in regional development.

● (1540)

Mr. Speaker, if this had been a Progressive Conservative budget, the central position of fiscal policy in any credible regional development program would have been extremely well recognized. I think there is no doubt about that, because successive leaders of this party, both in office and in opposi-

tion, have committed themselves to that basic principle. Unlike the government opposite, ours is a serious commitment to the comprehensive and total eradication of regional disparity across Canada. Under a Progressive Conservative budget, the have-not regions of Quebec and Atlantic Canada would today have such things as a tax rebate of 75 per cent for small businessmen investing in research and development; special tax rebates on inventory valuation for corporations investing there; long-term tax contracts for new industry, negotiated on a basis similar to the present incentive grants but which would be of much larger value to those industries—say until 150 per cent of their original investment is recovered; and a thorough examination of the priorities in capital spending of all departments in order to shift funding for labour-intensive projects to eastern areas now in the grip of a major unemployment crisis.

I believe these measures alone would have meant a significant improvement in the job and investment outlook for Quebec and for each Atlantic province. But they are by no means all we are prepared to do in order to demonstrate our total commitment to strong regional economies in eastern Canada as equal partners in the Canadian national economy. We would give immediate consideration to a range of policies designed not just to cover up the problem or give some kind of slapdash, band-aid approach as seems to be favoured as recently as this afternoon by the government House leader in his comments on unemployment, but we would get at the complex structural roots of disparity.

We would give tax incentives to companies in industrialized areas to enable them to participate in investment funds aimed at bringing new, modern, high-growth industrial systems to areas which are poorly developed, particularly in the province of Quebec which is going to need some major assistance in order to upgrade aspects of its industrial structure which is not now operating efficiently and cannot provide the jobs so badly needed. We would look at the real possibilities for co-ordinated support for critical areas in transport and energy. I know this will be dealt with later this afternoon when my colleagues from other provinces speak.

The Minister for Regional Economic Expansion sits almost alone. He seems to be caught by a problem that has engulfed this government with respect to dealing with regional disparity. It now seems to be suffering from a heavy dose of tunnel-vision. When the problem becomes one of regional development, the answer comes from one department after another, "Let Marcel do it." I have some sympathy for the minister because I think he is faced with an impossible task.

The minister has been asked by the government to address the fundamental problems of a number of provinces—particularly, today, the five eastern provinces to which we are addressing our attention—while his colleagues attend to their particular programs and projects. It may be because of the Minister of Transport (Mr. Lang) with his nefarious "user pay" schemes, or the tariff policies of this government that can only be described as "loser pay " schemes. The minister tries to pick up the pieces after the initial and basic damage is done by his cabinet colleagues. He is in the unenviable position of trying to bolt the stable door after the horses have gone, after the economic damage has been wreaked on at least five eastern provinces.

[Mr. MacDonald (Egmont).]

I hope we might be able to give the minister some assistance today when we deal with the specifics of an adequate and effective policy for the government. I hope he will be able to go to his cabinet colleagues and say, "You have to co-operate with me and listen when I tell you that particular energy policies, tariff policies, budgetary programs, or whatever, are going to widen the gap and make the chronic unemployment situation more serious in several regions of Canada." Perhaps the minister will find enough courage today to do this.

When we drafted this motion, Mr. Speaker, we wanted to be of real assistance to the minister and any other members on the government side who are willing to recognize the seriousness of the situation. Since the early 1970s at least, there has been a declining commitment by this government with respect to the alleviation of regional disparities. The government has virtually abandoned its commitment to develop strong regional economies, and there is no effective co-ordination or support expressed in the day to day performance of programs.

Unless concerted action is taken now we will still be standing here in months to come talking about an even more serious situation. If the Minister of Finance is correct in his budget, then nothing adequate or effective will be done about unemployment and the increase of some 70,000 unemployed that took place over the last year in the five eastern provinces will become even worse in the next 12 months. That is not a situation which the Minister of Regional Economic Expansion or any of his colleagues who are genuinely concerned about the situation want to face. That is why we urge the minister and his colleagues to take more seriously the representations being made today and promise this House that they will mend their ways and effectively deal with the serious and lamentable situation in the five eastern provinces.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I begin by saying that of course we support the basic principle enunciated in this motion. We have been talking about the tragedy of mass unemployment for at least the last 15 months in this parliament. I found it interesting that on the first opportunity, the day after Mr. Justice Berger tabled his tremendously important report on the question of whether we should proceed in the near future with a pipeline down the Mackenzie Valley, the official opposition chose to discuss, instead, the question of unemployment, particularly in the Atlantic provinces and Quebec.

This is a tremendously important question, Mr. Speaker. According to Statistics Canada we have the highest number of unemployed and the highest rate of unemployment that Canada has experienced since they began keeping figures. In April 1977, 914,000 people were unemployed—an increase of 145,000 over the same month last year. That figure demonstrates clearly and conclusively how wrong the Minister of Finance (Mr. Macdonald) was in his forecasts in the last two budgets, and how wrong was the proposal he put forward in those two budgets to deal with the problem.

On a seasonally adjusted basis, the 914,000 people unemployed last year constituted 8.3 per cent of the work force. For years we have been told that between 3½ per cent and 4 per cent unemployment would mean full employment in Canada. We knew that 4 per cent unemployment nationally would mean double that in Quebec and probably close to triple that in Atlantic Canada. When we have 8.3 per cent unemployment on a seasonally adjusted basis nationally, we should not be surprised to find that in Atlantic Canada the unemployment rate is 13 per cent, on a seasonally adjusted basis, and in Quebec it is 9.8 per cent. If they did, and took the area east of Montreal, they would find that the seasonally adjusted rate, instead of being 5.8 per cent, is probably between 14 per cent and 15 per cent. Mr. Speaker, we do not accept such high levels of unemployment in 1977, any more than any parties in this House were willing to accept, at the end of World War II, a return to the massive unemployment of the prewar years.

● (1550)

Today we have the best educated group of young people we have ever seen in this country. It is unfortunate, therefore, that a Statistics Canada report released at the end of last week said that in this country there is a glut of university and college graduates which will continue for the next 15 years, possibly creating massive social, economic and political difficulties. The report predicts that some graduates of some programs may be forced to accept low-paying jobs which provide little responsibility, little scope for individual initiative and advancement and, hence, minimal satisfaction. I am sure almost every member of this House has heard of young constituents who, at considerable sacrifice and much hard work completed courses in community colleges or were awarded Bachelor of Arts, or similar degrees by institutions of higher education, only to find after all their hard work, no work available. Often there is no work in fields which the federal government or the provincial governments have encouraged them to enter.

I suggest our society is sick, Mr. Speaker. We use our resources in people poorly, encouraging our young to attend institutions of higher education but not providing jobs for them to fill after they graduate. Our Prime Minister (Mr. Trudeau) has told the young that perhaps they should move to another country if they cannot find work in this country, as if other countries which also suffer from unemployment would welcome an influx of our unemployed.

We are not talking about difficulties which will disappear next week, next month or next year. According to studies commissioned by the government, the unemployment rate next year in Newfoundland will be 16.4 per cent, and in 1978-79 it will be 17.4 per cent. In Nova Scotia, unemployment next year will be 10.8 per cent, and in 1978-79 it will be 11.3 per cent. In Quebec, unemployment next year will be 9.4 per cent, and in 1978-79 it will be 9.8 per cent. In regions of Quebec east of Montreal, unemployment will be between 12 per cent and 14 per cent, and in areas like the Gaspé in the order of 40 per cent or 50 per cent. But the government is not worried. Last December 7, the Minister of Manpower and Immigration (Mr. Cullen) was asked to tell the House what the government planned to do in order to cut back the high unemployment of last winter. Last winter's unemployment figures look pretty good when compared with current unemployment figures. According to the pamphlet "Unemployment in 1976", the minister expressed himself, in reply to a question as follows:

> I suppose one can make statistics prove almost anything, but the unemployment rate for men 25 years of age and over—and I suggest with respect that these are breadwinners—dropped (from October to November) to 4.2 per cent from 4.9 per cent and the seasonally adjusted unemployment rate for women in the same age group fell to 6.5 per cent from 6.9 per cent. However, the rate would not have fallen, it would have risen, had not thousands of women dropped out of the labour force.

The tens of thousands of high school and university graduates who will not find jobs this summer will find cold comfort in the minister's words. I am thinking, as well, of the many women who must work part-time or full-time in order to provide their families with a decent standard of living. Surely the minister's remarks illustrate his cynical approach to the problems of this country's ordinary people.

For a number of years the Department of Regional Economic Expansion has done its work in this country. Incidentally, I note that the minister of the department is to be the first spokesman on behalf of the government in the present debate. According to an Economic Council of Canada report released last month, the federal government, despite its efforts in the past decade to narrow regional economic disparities, has not succeeded, and those disparities remain intolerably large.

The Economic Council calls the high unemployment in some areas of the country a national disgrace. I challenge any member of the House, of any party, to disagree with that observation, especially in view of conditions in the Atlantic provinces and eastern Quebec. The Economic Council said that a person's economic well-being is sharply affected by the region in which one happens to be born or raised. Their recommendations include the following: that provincial governments in poorer areas should upgrade the educational qualifications and training of the local labour force; that provincial governments in poorer areas should undertake formal studies of low productivity levels and how best to take advantage of population shifts to urban centres in order to bolster manufacturing productivity; and that the mix of federal government spending should be changed to channel a higher proportion of it to high unemployment regions. The council concluded by saying:

> The council believes that the federal government's tendency to concentrate on the role of industrial structure, physical capital, endowment in natural resources and transportation in regional development has caused other equally important factors to be neglected.

The council's views do not surprise me. Any member of parliament, regardless of party affiliation, who has had dealings with people trying to work with the Department of Regional Economic Expansion will tell the same story. The federal department is insensitive to the opinions of the provinces. It will not listen to local views or consult local feelings. Federal officials assume they know all the answers. I know that in the case of my own province, Manitoba, officials were unable to reach agreement with federal officials after three

years had been spent in attempts to institute a jointly-funded program in northern Manitoba.

In the absence of my colleague from Nova Scotia, let me put on record some of my views concerning the terrible situation existing on Cape Breton Island. The steel industry of the area employed thousands for many years, at relatively high rates of pay. Unfortunately, in the last couple of years it has been forced to lay off several thousand workers—and this in an area without alternative employment. The lay-offs are the direct result of the recession which has affected not only Canada but all western industrialized nations. But it is also largely the result of the fact that the previous private owners of the plant neglected for many years to invest their profits in the modernization of the plant and its facilities.

● (1600)

The result is that the plant, which has geographic disadvantages, added to everything else, is not now able to compete with other plants in Canada or elsewhere. The people of that area are faced with the requirement that the federal government and the provincial governments together must spend a very large sum of money—several hundred million dollars at least—to bring that plant up to modern productive capacity.

Failing that, there are only two alternatives that I can see for the people of that area. Either they will be permanently unemployed, with thousands of willing and able workers on permanent welfare, or they will be forced to move thousands of miles to new jobs, leaving behind houses, schools, hospitals and all the facilities which are needed in order to have a decent life: they will be empty, not being used. Their movement would require the building of new houses, schools, hospitals and recreational facilities in the cities to which they move. Why has this not been done? It is because this government does not believe in and cannot see its way clear to the kind of long-term, permanent planning of the economy which is necessary.

There are two problems. There is the long-term problem of how Canada, a country large in area with a relatively small population, can compete on the international markets and its own markets with other countries which have very efficient industries. I refer to such countries as the United States, Germany and France. The government has given no indication to parliament or the people of Canada that it is really thinking about these problems.

We have the immediate problem of over 900,000 people officially unemployed. If we include those who have withdrawn from looking for work because there is no work, young people and women, and those who are in our community colleges and Manpower training courses, many of them there because there are no jobs to which they can go, we are not talking about 900,000 or even a million, but probably 1¼ million people. Do we believe that nothing can be done about that?

On Monday night I watched a program on the CBC. It was on economics. The commentator was John Kenneth Galbraith. He repeated an argument which some of us have made on other occasions: he said that governments all across the western world did not believe they had the ability, and could not find the money to put to work between 20 per cent and 30 per cent of their work force which was employed in the period 1929 to 1939. After war was declared in 1939, unemployment disappeared in Canada, the United States, Great Britain and other countries. We believe, as John Kenneth Galbraith believes, that unemployment is not necessary. We believe a government can find ways to put people back to work and do so in fairly quick fashion.

I wish to mention a few of the steps that can be taken in the very near future if only the government will make the decision. First, we need a new budget, a budget which will immediately decrease personal income taxes, particularly for those earning lower and middle incomes, in order to stimulate purchasing power and take up the current slack in the economy. We need immediately to reactivate all federal works projects, encourage the provinces and municipalities to follow suit, and at the same time lift any restraint on shared funding of such projects. We should immediately expand, in consultation with the provinces, the capital budgets for low-income and co-operative housing and land assembly. We should immediately launch an assisted repair and renovation program of homes owned by pensioners, the disabled and low-income families.

If such a simple program were begun by this government, by the end of 1977 we could cut the percentage of people unemployed by a substantial number from the present scandalous and intolerable level.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to participate very objectively in the debate on this opposition motion. I feel this motion is most relevant to the economic situation in Quebec and the Atlantic provinces. Of course, I shall restrict my remarks more specifically to the unemployment situation in the province of Quebec and the steps taken to remedy this situation. I am convinced that following our proceedings, the government will be more aware of the actual needs of our regions and of the action required to remedy the situation.

Mr. Speaker, because this country of ours is very large, I feel that Parliament must assume its responsibilities and make sure that all regions are dealt with fairly and allowed to develop normally. I cannot help being hurt and aggrieved when I read news about under-developed areas, as though only mental defectives lived there.

● (1610)

In each and every area, there are, however, highly intelligent people capable of developing industries and using our resources to create jobs for those Canadians who are able to work, and to ensure for the others affected by ill health or physical impairment a standard of living in keeping with Canada's potential. I had a study made for the South Shore area, as I like to call it, to have it recognized by the government and the nation as a region in its own right. It has always been called by that name. The study went back as far as the beginnings of our country. It shows how creative the people there have been, how many of them had the creativeness to

establish industries and small businesses in the logging, lumber, textile and tanning industries, in every area that can meet the peoples' needs, and all this without any government subsidies.

Going through that study, I find industries there have been disappearing one after the other, especially during the last 15 years. The people who used to work there became unemployed, and later went on welfare. My suggestion is therefore that the policies that were put forward did not work. The government would be well advised to listen to other suggestions and change course, to promote continued growth in the area so that the local manpower can be employed.

Mr. Speaker, I realize that every government has always been advised by economists. Certainly those economists did their best, and tried to recommend measures to ensure full development in the area and also to give present and future generations an opportunity to stay there with full security and freedom. Unfortunately, the recipes put forward by those distinguished economists have not been working. Therefore, something else will have to be used. It so happens that yesterday we had an opportunity in this House to discuss motion No. 22 introduced by an hon. member and suggesting that a special committee of the House be established to consider the possibility of formulating the national objectives for the next decade.

Mr. Speaker, that motion suggested that intermediary bodies submit briefs designed to enlighten the committee and enable it to make recommendations likely to help Canada put to a better use the manpower available, our human energies, so as to check the plague of unemployment and, at the same time, fight the plague of inflation so that our young people may contribute fully to the development of our country.

On the other hand, the same day one could read in some newspapers a very pessimistic report to the effect that there would be a greater number of unemployed graduates every year until around 1990. Mr. Speaker, studies have already been made in the past, serious studies. For example, I should mention the study on poverty made by a Senate committee, when senators travelled across this country to look into the situation, find out the number of really needy people, poor people, and finally suggest remedial action to the government in order to enable those helpless people to take advantage of the blessings of this country and thus contribute through their work to its development.

Now, Mr. Speaker, Parliament is aware of those recommendations but they are still being studied in cooperation with the provinces in order to find the most suitable method of implementing the Senate committee report on poverty. We also had other reports submitted by various committees, and those reports are still on the shelves. They cannot decide to act upon them in an attempt to remedy the situation and thus provide equal opportunities throughout Canada. If only the idea began to sink in that Canada extends from the Atlantic to the Pacific! I am sure then that all this useless talk about regional disparities would stop and we would understand each other much better.

Mr. Réal Caouette has often expressed that idea in this very spot. He often asked the federal government to see to it that Canada develops as a whole, while respecting the various government jurisdictions. He used to say: Strong provinces make for a strong Canada!

Mr. Speaker, I still share this view.

● (1620)

Mr. Roy (Laval): Mr. Matte is not!

Mr. Lambert (Bellechasse): What I would like is that the government stop talking and start enacting appropriate legislation, to fulfil its responsibilities within its jurisdiction and ensure that the provinces have the necessary revenues to fulfil theirs in their own areas. But, Mr. Speaker, I am convinced that with the present public financing it is impossible to come to an agreement.

Mr. Béchard: Be careful, you are heading towards the Bank of Canada!

Mr. Lambert (Bellechasse): Mr. Speaker, my hon. colleague from Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) says that I am going to suggest a greater reliance on the Bank of Canada. I am very pleased, Mr. Speaker, whenever someone can read my mind since it proves something, namely that when you keep making the same suggestions, you finally get them through to your colleagues, regardless of the political party to which they belong.

Mr. Speaker, the federal and provincial governments should not have to depend on a private banking system operating along the side of the public monetary system, and rely on the goodwill of the private sector for their operations and the implementation of their programs. I admit, Mr. Speaker, that the private banking system is well organized and most useful, and that it serves private interests very well. I want it to survive but I do not think it should be allowed, to control governments, Mr. Speaker. Parliament and the federal government should have authority over this system. If we were to decide—and in this respect I feel the way Mr. Réal Caouette did—to set things in order in this area, much less would be heard in Canada about separatism, regional discrepancies, and B and B. This would be a good step in the right direction and it would certainly bring Canadians together, throughout the country, from coast to coast, because the central government would have the necessary financial resources to meet the developmental needs and requirements of the people in all parts of this country.

Mr. Speaker, in spite of all the efforts made over 15, 20, 30 or 40 years to improve the training of our young people, prepare their future, make them learn a trade and all kinds of things useful to the community and encourage them to get diplomas so that they can profitably serve their country while earning their living, I am sorry to note that those efforts have not been completely lost but that they have not given the expected results. I am always very sorry when I open my mail and find five, six or seven out of ten asking for help to become

entitled to unemployment insurance. It disgusts me and through all this I find some asking: Can you help me get a job? Everywhere I inquired I was asked to complete job applications. I had to state my work experience.

Mr. Speaker, how are young people supposed to answer such a question? They had no opportunity to acquire any experience. They should be given the possibility to start acquiring experience in life. Some openness of mind is needed. Mr. Speaker, everything seems aimed at making life harder for people. Here is an example. Take Canada Works, a good program. People are asked to prepare projects. In my riding I was pleased to find that quite a number of organizations and intermediary bodies have submitted projects and have tried earnestly to prepare very good job-creating projects and give an impetus to the development of our area, our province and our country. But after an analysis is made in cooperation with either the advisory committees or the member of parliament, manpower officials meet with a refusal from some provincial officials, at least in my province. This is what happens, they veto the projects. Nobody knows why, but they are against it. Every effort is made to go ahead, but those people veto the projects. Mr. Speaker, I think it is time we had something specific and precise on that matter . . .

The Acting Speaker (Mr. Ethier): Order please!

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, first of all, I should like to refer to some of the remarks made during the debate by the three opposition spokesmen, the hon. member for Egmont (Mr. MacDonald), the hon. member for Winnipeg North (Mr. Orlikow) and the hon. member for Bellechasse (Mr. Lambert).

I shall begin by the latter, who has just resumed his seat. I should like to tell him that, of course, we are greatly concerned, myself especially, about the general unemployment problem in Quebec, but I am also concerned about the rest of the country. The hon. member for Bellechasse mentioned his own area on the south shore, as he calls it. In fact, it is an area with which I am somewhat familiar, though not as much as he is, of course. I am aware of some of the problems in this area, and I would feel inclined to look favourably upon some of the problems and some of the answers suggested. As a matter of fact, in the last few weeks, I had the opportunity to consider one suggestion. Of course, it is very limited, but the project materializes, we shall have done something to help a municipality in the constituency of the hon. member to develop the structures which might prove somewhat more attractive for industries that wish to settle in the area. It would be a first step, and I hope there will be many others. I should like to point out to the hon. member that even though there is no specific program for his particular constituency or area, many departmental programs affect somewhat, although not enough to his mind, the economy of his area and might help to some extent.

[Mr. Lambert (Bellechasse).]

• (1630)

I would like to take up one of his comments with which I agree, but I would alter it slightly. He states for example what our young people are told unfortunately too often when they reach the labour market; employers to whom they apply for a job ask them whether they have some experience.

I agree with him that such an attitude of some employers towards young workers who have just graduated from our institutions is absolutely incomprehensible. This is why representations were made to the government on several occasions. As a backbencher I also made suggestions concerning such a behaviour among employers. The Department of Manpower and Immigration has amended its educational programs to include a training program on the job. Under this program which was launched four years ago already, 75 per cent of the salary is paid for a period extending up to a year in some cases, but generally for 26 weeks, sharing with the employer the additional cost for training a new employee and keeping another worker as a replacement, not to mention that total productivity will decline during a certain period. This program exists and is operating but in my opinion, it should be used more often. However, I think that the establishment of such a structure reflects awareness of that special problem. I hope it can be improved to solve more specifically that dilemma confronting young workers arriving on the labour market.

Mr. Speaker, the hon. member for Winnipeg North (Mr. Orlikow) specially mentioned unemployment. He dealt with the regional economic expansion program, but he dwelled on current unemployment in the country. He referred to its causes, its effects, and possible remedies. It is evident that we are all concerned by that unemployment problem. Nobody is happy to see so many idle individuals, but a program aimed at creating what is called in certain quarters full employment could imply the control of employment and work could become compulsory. If we want full employment, it would mean compelling people to work, to take jobs that they do not necessarily want. I believe this is not acceptable in a system such as ours.

Of course, the hon. member for Egmont, the official spokesman for the opposition, zeroed in on the department's weaknesses. But he obviously failed to refer to what the department has done. We do not expect to be congratulated or highly praised by the opposition, that is normal, it is not necessarily the role of the opposition, although it might be good once in a while to recognize that things have been accomplished, that efforts have been made by the government and our institutions to meet problems that we recognized as being very, very serious. He quoted a great many statistics and I will not attempt to review them. It is easy to recite statistics, especially since he included several that I had personally referred to before the standing committee of the House at the time the estimates of my department were considered.

Most of those statistics are real, alas too real, and I would have liked to be able to quote more reassuring ones, but unfortunately, things being as they are, I have had to face the facts and say things as I saw them. I hope at least my

frankness and sincerity will be recognized even though I have not found better solutions to those problems in my department. I would like, Mr. Speaker, to thank the opposition for giving me this opportunity today to speak about the department and refute certain allegations which were made here in the House and outside not only by opposition members but also by spokesmen for other economic groups in our society. I am glad precisely because the Leader of the Opposition (Mr. Clark) and his spokesman, the hon. member for Egmont, have systematically refused to take into account the most basic facts to judge our policies and programs, thus misleading the people to a certain extent by their critics.

It has been said, here and elsewhere, that the policies of various federal departments impede regional development, and that there is no co-ordination between the Department of Regional Economic Expansion and the other departments. It has also been said that the DREE operation is too centralized, that it does not know well enough the specific needs of each area, and that our industry incentive program is slow and ineffective. I appreciate this opportunity to correct the distorted facts presented by hon. members opposite, something which I have to attribute, to put it kindly, to a surprising lack of efficiency which I find quite strange among people who hope some day to lead the country. With the kind of ability they are demonstrating, I am afraid they will have to be satisfied with just keeping on wanting it for quite a while yet. I shall return to this in a little while, but for the time being, I should like to remind the House of the main policies and strategies this government and my department have developed and implemented.

Since 1972-73, the evolution of the regional development policy has followed three main themes: the need for an efficient subsidy program; the need to carry out, in every province, development strategies based on local concepts, aspirations, needs and objectives and implemented by federal and provincial civil servants stationed in each of the provinces; finally, the need for a service which can provide analytical research and liaison with other federal departments and help them develop their policies so that they can contribute to the realization of regional development objectives.

I would like to say a few words, Mr. Speaker, about our previous achievements. Our subsidy program is now well established. As for the industry assistance legislation, companies have received subsidies of about $580 millions until now, which should result in the creation of 127,531 jobs in low growth areas. The rate of failure among financially assisted industries through the assistance program is lower than 10 per cent. According to some critics, it would be desirable for the procedures involved in our subsidy program to be made less stringent. In fact, Mr. Speaker, shortly after the program was first implemented, the then minister realized that it was necessary to do so, and it was done.

Those who complain about the time it takes to process the requests for help know, for instance, that since that revision of the act in 1974, processing time has been reduced by over 25 per cent? Do they know also that since the 1974 revision it was reduced by 33 per cent in the case of the applications dealt with exclusively by our regional offices? Finally , do they know that over 80 per cent of the applications we receive are in fact dealt with by our regional offices? So one sees the results of the improvements and flexibility built into the regulations under the act. Do those same critics, Mr. Speaker, know that when it takes over 90 days to process an application, for instance, in most cases it is due to the fact that the applicant failed to supply all the information required, and that, indeed, once we have all the information, it seldom takes us more than three weeks to be in a position to make an offer or turn down the application.

That does not mean, Mr. Speaker, that the important and difficult cases do not take any more time. Of course, we are dealing here with taxpayers' money, and we know that often enough, as a result of failures and bankruptcies, the department is severely taken to task. So, obviously we must take our precautions before offering financial assistance to certain projects. We must look at the market, at the environment, Mr. Speaker, another element added in recent years, we must see whether the financial structure of the undertaking is reasonably healthy, and the sponsors of the project have the competence to manage it.

Mr. Speaker, I can assure the House that I am not prepared, in order to set a new time record, to disregard certain basic principles of prudence required for the consideration of those files because I still believe that we must consider very seriously each application we receive.

Last October 18, the opposition asked us to ease the application of this legislation. As regards the request submitted by the Atlantic Development Council which was referred to, this was almost done completely. The opposition continued its attack totally ignoring those changes. This is obviously why the Leader of the Opposition finds it so hard to understand even the basic principles of our policy of regional development. Moreover, the Opposition wants DREE to introduce some rationality in what it calls the more than 200 federal, provincial and municipal programs of assistance to the industry.

Every project carried out under this legislation follows a major effort of coordination with the provinces involved. Furthermore, DREE, the Department of Industry, Trade and Commerce and some other departments took an active part in many conferences dealing with subsidies, which they also helped to set up. The provinces, as well as municipalities and private organizations sometimes also took part in these meetings.

Mr. Speaker, so that our stand is perfectly clear, I want to state that our position has never been and will never be to tell the provinces what they should or should not do as far as the various programs are concerned. We shall continue to discuss with them and to seek the best solution, and we shall resort neither to coercion nor to force. The opposition wants DREE to contribute to projects already in their operational phase and to make arrangements allowing for its involvement.

They do not find it absurd to ask us in the same breath, and sometimes in the same phrase, to rationalize and coordinate

our programs and, at the same time, to implement already existing programs administered by the Department of Industry, Trade and Commerce through the Federal Business Development Bank at the federal level, and to set up mechanisms which are already in place at the provincial level and which are provided by their own agency,that is their own Department of Industry, Trade and Commerce. Mr. Speaker, the great co-ordinators on the opposite side who look forward to correcting the lack of co-ordination in Canada cannot even co-ordinate their minds on that matter.

● (1640)

[*English*]

Now, Mr. Speaker, let me turn to the second of the government's policy themes in regional development. Since 1972-73 and after the decentralization of the department which resulted in 70 per cent of our senior executive officers moving to the regions, the government moved to negotiate with each province a general development agreement. The exception would, of course, be Prince Edward Island which has a 15-year comprehensive development plan. These general agreements state in broad terms the development priorities of each province as agreed to by each provincial government. They are reviewed and discussed regularly with each province. We and the provinces know that development problems are not going to be solved overnight. The agreements are ten-year strategies. Under these agreements we enter into subsidiary agreements with each province designed to maximize the development potential of a specific sector of the provincial economy or a specific geographic area. Again, these agreements represent the priorities of the province as agreed to by each provincial government.

This GDA subagreement approach is only two years old, yet we have managed to sign some 66 subagreements across the country, committing over $1.1 billion of federal funds. The federal share of these agreements runs between 50 per cent and 90 per cent. The provinces have committed over half a billion dollars, and private industry over half a billion dollars, for a total development commitment under DREE, GDA programs of over $2 billion. This is what the Leader of the Opposition (Mr. Clark) calls on the fringe of government priorities.

Our critics call for local involvement in decision-making. They call for more powers to the provinces. What better way is there to involve the provinces than to sit down with them and negotiate face to face with hard dollar commitments on a province by province basis? Do the members opposite mean to say that provincial governments do not understand the interests and priorities of their provinces? Does the Leader of the Opposition know what he means? The provinces and the people of Canada will want to know just who he thinks he is fooling.

An hon. Member: Who do you think you are fooling?

An hon. Member: Don't be so partisan.

[Mr. Lessard.]

Mr. Lessard: Now let me speak of co-ordination within the federal government. The hon. members opposite claim, without reference to the facts, that DREE plays no co-ordinating role. Let us look at some of the examples of how we have implemented our policy theme of research, analysis, co-ordination and liaison to which I referred earlier. A great deal of time and effort has been spent on research and analysis the primary goal of which was to assemble information which would be useful to other departments and the cabinet in pursuing a wide range of federal policies. This was done as a simple result of the stated government commitment to regional development as a policy crucial to national unity and the national interest.

Let me give a few examples where the opposition can find none. The government has launched a program of decentralization of certain government units. This is not a DREE program, but DREE has provided essential expertise to treasury board. Our analysis plays a key role in determining the suitability of towns and cities across the country for relocation. Our information has helped ensure that units and locations were well matched and that the development needs of slow growth areas were well served by the moves. This is co-ordination.

There are more examples. When we negotiate a subsidiary agreement with a province in an area where another federal government department has an interest, that other government department is usually involved from conception, through negotiation, to signing. They often sit on the management committee which implements the agreement. In Quebec alone this is true, for example, with the agreements on forestry, agriculture, minerals, industrial infrastructure, highways and PICA.

In the Newfoundland minerals agreement not only did the Department of Energy, Mines and Resources participate from conception to signing, not only did they sit on the management committee but, as well, they cost-shared the funding of the agreement with DREE and the province. That is co-ordination. I could list many subagreements that we sign with two, three, four and even five federal departments involved with the provinces and two or three departments in those provinces. Again, that is consultation, decision and co-ordination.

An hon. Member: Tell us about the 50 per cent failure.

Mr. Lessard: When you never try, my friend, you never fail. That was the record of your party when you were in power. You did not dare to try, and even so you failed miserably.

[*Translation*]

Mr. Speaker, I also want to say that we work in close cooperation with other departments with respect to our program of direct aid to industry. We consult the Departments of Industry, Trade and Commerce, Environment, Fisheries, Agriculture, Manpower, Immigration, as well as others before making our decisions. We also have representatives on the committees approving the grants under certain programs of the Department of Industry, Trade and Commerce. For example, in anticipation of the withdrawal of U.S. Armed Forces

from the Happy Valley-Goose Bay military base DREE set up a research group composed of representatives of five federal departments, the provinces as well as the local community. We obtained very substantial results, including decisions by federal departments and the signing of an auxiliary agreement with the province. While we were expecting about 150 jobs to be lost in this area it seems today that out of the 150 civilians who could have been out of a job fewer than 25 report not having found another one locally.

That is yet another example, Mr. Speaker, of the cooperation between the federal government, various departments and the provinces. Finally, there was great concern about the coordination between the objectives of the Department of Regional Economic Expansion and the Department of Transport, and I want to assure the House that there was and will always be a great deal of coordination, consultation, discussion between my friend the Minister of Transport (Mr. Lang) and myself, as well as between the representatives of our departments in terms of the general policy. That means transport services will be financed in all areas where they serve as a support for a springboard to development even if the total cost of investment cannot be charged to users. Such is our answer to the criticism where a general policy was set up but that general policy is actually being influenced by regional economic expansion policies, and that is why my colleague the Minister of Transport agreed to look into it.

There are other departments, Mr. Speaker, which are certainly interested in cooperating with our department. For instance I could name Manpower and Immigration Department through its job creation program which is oriented towards areas needing most job opportunities, and the recent amendment to the Unemployment Insurance Act which once again recognized the particular situation of various regions so that they could have a different treatment in terms of unemployment insurance.

Gradually each department recognizes the necessity to coordinate government policies aimed at particular regional needs. That could not be done overnight, nor within a year, we had to gain experience. Mr. Speaker, if I had to quote only the report just published by the Economic Council of Canada, they took three years to find out what we knew well before because we had to fight the problem every day. There is a need for coordination, for many instruments to settle regional disparities. They recognized also the great complexity of that issue, that there were many intermediate agents, not only government agents but also private industries and individuals.

Evidently, if we try to co-ordinate all that, Mr. Speaker, to have everyone working towards the one and same objective, that is not an easy task, a challenge we could take up rapidly. Mr. Speaker, the opposition members should recognize that the government has committed itself to the job and has decided to live up to the challenge.

Many figures have been quoted and many things have been said. Of course, I could quote some figures myself. I have some here which I don't like at all. I find it interesting to look at some statistics on manpower, unemployment, income, participation. The figures concerning the increase in the labour force are interesting. For instance, let us take a specific province, Prince Edward Island, for instance. In 1966 the labour force consisted of 34,000 people and ten years later, in 1976, this figure had reached 48,000. As far as employment is concerned there is no doubt a problem in Canada: a large number of unemployed. It is obvious from the figures released this morning. There is nothing which satisfies me in all that, even though there is a slight decrease in unemployment in some Atlantic provinces and in Quebec. We are looking and hoping for a much larger increase. There is nothing gratifying in these figures, and I am not contented, Mr. Speaker. I am not any happier than the opposition members, and especially not more than those who are now unemployed and who are directly affected.

The other important factor to note, and it is a positive one even though to a certain extent, it is responsible for the unemployment rate, is the fact that while the participation rate in a province like Prince Edward Island was 49 per cent of the labour force in 1966, it is now 55.8 per cent. This is an indication. In Quebec, the rate was 54 per cent and it is now 58 per cent, and for Canada, the rate is now 60 per cent while it was 57 per cent in 1966. These figures are interesting since they seem to indicate an increase in the interest shown by the labour force to turn to the labour market and look for work.

The unemployment rate was released today. Everyone knows what it is. The *per capita* income is not satisfactory, Mr. Speaker, although the official figure has gone up. Of course, it has increased elsewhere in central Canada, that is obvious, but we must still admit that there has been some progress. In 1966, the *per capita* income was $1,576 and it was $4,400 in 1975. This still shows an improvement. Now, I am going to stop this enumeration to deal with a more specific subject.

● (1650)

I think it is clear from the figures I have just quoted that we have not succeeded in creating heaven on earth.

Mr. Paproski: No jobs, either.

Mr. Lessard: I do believe, however, that we began to turn the tide before the current economic slowdown. I believe, as well, that the multi-year agreement we have put in place with each provincial government will promote further gains when the general western economic climate and the national economy begin to pick up. Equally, I have no doubt in my mind that without strong DREE efforts on incentive measures, on GDA programs and on policy co-ordination, the situation in Quebec and the Atlantic provinces would be much worse than it is today.

Some hon. Members: Hear, hear!

Mr. Lessard: We certainly have to recognize that. Let us just look at the figures. Since 1969 DREE has spent—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. minister that his allotted time has expired. He may continue, however, with unanimous consent. Does the minister have unanimous consent?

Some hon. Members: Agreed.

Mr. Lessard: Thank you very much, Mr. Speaker.

An hon. Member: No.

The Acting Speaker (Mr. Turner): Order, please. There was definitely a "no" from the opposition side.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vancouver Quadra (Mr. Clarke)—Urban Affairs—Granville Island, Vancouver—Future of property and purpose of expenditure; the hon. member for New Westminster (Mr. Leggatt)—Energy—Mackenzie Valley pipeline—Possibility of request by Arctic Gas for government guarantee to raise capital; the hon. member for Edmonton-Strathcona (Mr. Roche)—External Affairs—Conference on International Economic Co-operation—Request for progress report.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO IMPROVE EMPLOYMENT SITUATION

The House resumed consideration of the motion of Mr. MacDonald (Egmont):

That, in the opinion of this House, the government's abandonment of its commitment to develop strong regional economies, and its failure to give priority to regional needs in designing national fiscal, transport, energy and trade policies, has resulted in a crisis of economic stagnation and unprecedented unemployment in Quebec and the Atlantic provinces.

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I am sorry the minister was not given time to finish his remarks, because I was looking forward to his explaining how he and the government are going to eliminate regional disparity in three years. That seems to be the implied undertaking in the new arrangements which have been made with respect to unemployment insurance. In other words, the government has recognized the need to make allowances for differences in regions, but only after a period of three years. I am sorry that the minister did not tell us this afternoon—I came here fully expecting he would do so—how the government proposes to eliminate regional disparities within the next three years.

[*Translation*]

Mr. Speaker, the Minister dealt with quite a number of topics today. He spotlighted many of them, but there are so many other very important things that he should lay down on the table. He tried to explain the rate of unemployment in Quebec and the Atlantic provinces. For instance, these problems did exist in Quebec before the election of a separatist, secessionist government. They developed under a Liberal government in Ottawa and a Liberal government in Quebec. The policy of the Canadian government with respect to alleviating regional disparities was and still is a mixture of improvisation and inconsistency. Unemployment is rampant. Its rate has reached the 10 per cent mark. In Quebec it is causing great anxiety especially among young people. And in that province, unemployment increases skepticism and even cynicism towards federalism. That is something really tragic for our country.

• (1700)

[*English*]

Mr. Speaker, I do not intend to be entirely critical of the minister and his department this afternoon, he will be pleased to know. I have already heard him criticized by his own supporters for increasing disparity within the regions.

An hon. Member: He should be.

Mr. Stanfield: Perhaps he should be. I think one of the mistakes his department has made, as I look across the country, is that it and the government, rather than concentrating on the economy of regions, has attempted to reach down into communities and make itself responsible for the rapid growth of communities. I suggest that the minister and the government are not responsible for ensuring the rapid growth of every city, community and constituency in this country, although there will certainly be instances such as Stephenville and Sydney at the present time where events will be of such urgency and so beyond the capability of the province to deal with that the federal government will wish to become involved.

I simply say that in my judgment the Department of Regional Economic Expansion should concentrate on regional economic development. In a sense, it has been trying to do too much and this is perhaps one of the reasons it has had so little success in generating dynamism in the regions of slow growth, particularly in the Atlantic provinces and Quebec.

As to the Atlantic region, I do not see it as the responsibility of the minister at the present time to ensure equality of development in the near future throughout the region or in every community or every constituency. I admit that when I was premier of Nova Scotia it was recognized that some parts of the province lent themselves more readily to successful

development, in the shorter term, than others. I would expect the minister to take the same attitude.

The growth centre concept is not the sacred cow it was some years ago, but it still makes sense to follow up your best possibilities. It also makes sense to recognize that some concentration of skills and services within a section or a region is an advantage in terms of regional development. The recent study of the Economic Council of Canada entitled "Living Together", to which the minister has referred, links urban living, within limits, to economic growth and progress. I am not suggesting the encouragement of disparity within regions unnecessarily or as a goal; I simply suggest that it is perhaps the inevitable result for the time being of pursuing the best chances first. The department and the government must simply be prepared to accept the flack from people, including members of parliament, who are unhappy about certain sections of a region moving ahead more rapidly than others.

Because there have been some failures with regard to large enterprises, some people suggest we should go entirely for smaller enterprises and concentrate upon community development, rural development and the development of villages and small towns. Certainly, there is nothing finer than the development of small communities, and I am in favour of this. It strengthens the lives of people in these communities and it should not be neglected. On the other hand, we ought not to neglect large-scale development.

The report of the Economic Council of Canada to which the minister referred examined the connection and found some association between the level of technological development of a region and the rate of economic growth in that region. This is an age of technology, and generally an area needs high technology as well as natural resources if it is to prosper. There have been failures in developing high technology industries in the maritimes, and probably everybody involved has made mistakes from time to time. But there have also been—and I will associate the minister with this if he wishes—some striking successes during the years. My point is that we should learn from our mistakes and not abandon the effort to promote and develop large-scale enterprises regions such as the Atlantic provinces.

I should like to say, also, that in terms of evaluating the effort to fight regional disparity, in terms of judging the success of provincial and federal governments in the Atlantic provinces since the mid-1950s, we have to remember that the traditional economy of provinces such as Nova Scotia went through a revolution during the 1950s and 1960s—and perhaps it is continuing—where thousands and thousands of traditional ways of making a living simply disappeared. A province like Nova Scotia has had to run hard to even stand still in order to make up for the traditional employment that was disappearing in the restructuring of traditional industries which involved a substantial drop in employment and personal incomes.

While it is easy to be discouraged, particularly when there are forms of discouragement around such as high power rates and continued erosion of traditional industries in the Atlantic region and the province of Quebec, it is important to recognize that despite failures and disappointments new developments have taken place. People in other parts of Canada should recognize this and not regard it all as an idle effort.

I should like to say that successive federal governments have been helpful to the Atlantic provinces. We just have to consider the program of equalization by itself, for example, and what this has meant to the level of governmental services to those provinces. When I think of what could have been done and what could be done by the development of a coherent plan, I become very disappointed about the development of such a plan under the leadership of this government.

It would not be fair to say that the government of Canada established the Department of Regional Economic Expansion and then said "Get on with the job and we will forget the whole thing." It would be fair to say, however, that when the government has been challenged about its efforts in the field of regional economic disparity, it has tended to point to the existence of DREE and say, "Look at all we have done by establishing this department." Despite the minister's remarks this afternoon, it is fair to say that DREE has not developed a planned attack to encourage growth in the Atlantic area or in any region. It is fair to say, too, that the government has not developed co-ordination of its own activities. The minister said recently in committee that DREE cannot do it all by itself: He said that co-operation and co-ordination with other departments was improving, but he was not pretending it was perfect. He said it was not perfect that morning, when he spoke from his heart, but today in the House, when he spoke from a prepared speech, his story was different; he put some emphasis on the degree of co-ordination which exists.

• (1710)

Mr. Lessard: I am still not totally happy. I suppose I never will be.

Mr. Stanfield: Of course the minister is not happy, and except for the minister no one who has been involved with the workings of the department would pretend for a moment that the degree of co-ordination between DREE and other departments of government is anywhere close to satisfactory. We have seen several examples of departments of government working at cross-purposes with DREE.

Mr. Paproski: Hear, hear!

Mr. Stanfield: Mr. Speaker, I regret that I must be so critical about the lack of co-ordination. I am also critical of DREE for operating largely on a provincial basis within the maritime provinces. This is something the minister just boasted about. It is fine and necessary to respect the existence of provinces. But I say to the minister through you, sir, that if one is to develop an effective attack on regional economic expansion in the maritime provinces, one cannot be satisfied just to deal with the provinces. There has to be a higher degree of integration than that.

I would never suggest that the government ought to try to impose its own plan of development in the Atlantic provinces, but I do say that the government of Canada, with all its departments, and the Atlantic provinces should develop and implement together a plan, as opposed to this hodge-podge of provincial and sectional agreements which the department has entered into and developed. I am not against an agreement relating, say, to the Gaspé, Cote de Sud, northern New Brunswick, southwestern Nova Scotia or any other region, but I do insist that such an agreement shall relate to a regional development strategy, to a development strategy for the whole region, if it is to mean anything.

I have long been struck by the lack of political courage of the federal government when it comes to matters of regional development. It seems afraid to offend a particular member of parliament, or is afraid of losing a seat. A proper strategy to develop the economy of the Atlantic provinces is not going to please everybody, every member of parliament or every community in those provinces; but it must be done. The strategy must be developed. The program be developed in co-operation with the provinces. It must be done, and it can be sold. If the minister wants to know about a technique, I suggest he should look into the technique of voluntary economic planning.

I am not asking him to use the particular plan which was evolved. By encouraging representatives of industrial sectors to work with officials it proved possible in Nova Scotia ten years ago to get agreement on a plan. That plan would never have been accepted if the province of Nova Scotia had tried on its own to impose it. If the minister or his colleagues in government are too timid to work toward a regional plan for the Altantic provinces, I suggest the technique I just mentioned might lead to a sharing of the risks and make such a course more acceptable. Surely the government can do something like that.

Sir, after eight years of existence DREE has not yet attacked the problems of the Atlantic region. It is not yet attacking the problems holding back the entire region. I recognize that each province is different, that each province has different opportunities; but there are factors holding back the entire region. After eight years the department and the minister have not identified these factors. Or, if the minister has identified them, he has failed to attack them.

My time this afternoon is limited. I am pleased that the Economic Council of Canada has once again interested itself in regional economic disparities. I am pleased by the fundamental optimism of the Economic Council of Canada report to which the minister referred. It is optimistic that we can succeed. I find some interesting suggestions in it. For instance, it says that we should use to better advantage the tools we have been using, and try new tools which are available but which we have not used.

It is interesting to note the council suggested that intraregional trade, or trade within the Atlantic region generally, is relatively more important than interregional trade. It is interesting to see the explanation for the jump in unemployment which always takes place in the Atlantic provinces in the course of a recession, and to compare that jump with unemployment in other provinces. The council explains that this is owing to greater shrinkage in demand in the Atlantic provinces than takes place in other provinces or regions of Canada. If this is so, this fact can have a tremendous cumulative effect in retarding the development of the Atlantic provinces.

I asked the minister in committee what he thought of this idea and what he thought of the council's suggestion that the federal government and the provinces should establish a fiscal stabilization program to overcome the shrinkage in demand in the region which accompanies every national recession. I say this because the theory of the Economic Council of Canada corresponds to the gut feeling of maritimers that this has been happening with drastic consequences to the economy of the region. Mr. Speaker, DREE cannot implement such a concept on its own. I therefore ask, what is the minister's attitude? The council's suggestion is far different from the government's suggestion concerning tax benefits within the region. The council's suggestion is related to eliminating the additional depressing effects of national recessions on economic growth in the Atlantic provinces. The concept of the council is different from that of the Minister of Finance or the Minister of Regional Expansion (Mr. Lessard). What are the government's views on the council's suggestion?

There is not any one solution to the problems of the Atlantic provinces, or the economic problems of Quebec. We cannot be content with the kinds of improvised suggestions and policies which have come forward so far from DREE. It is good to see the Economic Council of Canada taking a hard look at what has been happening. As the minister said, the problem is a difficult one. I agree that it is difficult. But no country has found the solution to such problems an easy matter. The Economic Council is not pessimistic. We have made some progress and we have seen some development—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member, but I must inform him that his allotted time has expired. It has been suggested that since 12 more speakers wish to speak, we should have no extension of time.

Some hon. Members: Agreed.

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, in my opening remarks I cannot help but compare today's motion to a spring shower. It was rather sudden, the initial downpour was heavy, if not exaggerated, and conducive to erosion.

Mr. Alkenbrack: And good for the country at the same time.

Mr. Corbin: There is something basically unfair in the way our rules allow opposition parties to bring sudden motions before the House, motions on which there should be substantial and in-depth discussion. If we finally get down seriously to reforming the rules governing this institution, the area of notice of supply proceedings coming under Standing Order

58(4)(a) should, in my opinion, be modified so as to allow backbenchers in particular more lead time for participating in debate in a meaningful way and preparing researched speeches.

● (1720)

With the heavy work load already on our shoulders in committees and our two offices, not to mention all sorts of other meetings, the present situation is not at all in our favour. Of course, there is an advantage here to the opposition which I am prepared to recognize in an adversary situation. That may be as it should be. It is a gain for them, but it is a loss for the total House if all backbenchers are not given sufficient advance notice.

On the other side of the coin, with today's motion there is cancellation of a scheduled meeting on DREE estimates. We were to examine the Ontario expenditures and programs of the department. However, that motion had to be set back one week because the minister was to be our principal witness. The motion, therefore, came rather suddenly for the committee and its members. We would have appreciated some advance notice. Speaking as a member of this House and not as the chairman of the regional development committee, I find it regrettable that the committee was not allowed to complete its examination of the estimates as well as its study of the Economic Council of Canada report on regional disparities. In that sense, I feel that today's proceedings are untimely and premature, in addition to being staged on short notice.

However, I am prepared to deal with the motion. One thing in the wording that I find annoying is the reference to "the government's abandonment of its commitment to develop strong regional economies". The motion would have made some sense in terms of equilibrium and fairness if it had addressed itself to the role of all levels of government, not just the federal government, in their combined and essentially co-operative efforts to combat perennial regional disparities.

I have on my desk and in my mind, as I am sure do other members, a number of examples which will serve to demonstrate that the provincial administrations were found, and are still found, wanting in their co-operative efforts with the Department of Regional Economic Expansion.

[*Translation*]

First, Mr. Speaker, I cannot keep from noticing with all possible objectivity and charity that some provinces are far from fully playing their role in this joint effort against inequalities to which the federal government has resolutely addressed itself and on which the present minister is also actively working. I cannot accept that the central government should be blamed for everything, if blame is justified.

There are yet too many partisan considerations in the establishment of provincial policies and in the wording of development agreements. The provinces do not always show the goodwill and the determination which are indeed necessary for the implementation of concerted action schemes. While there are remarkably able people in many provincial jurisdictions, it is a fact—and the provinces should admit it in all humility—that they do not yet have at their disposal all the experts needed for identifying their priorities, for recommending appropriate solutions and quite often for carrying out programs.

It is not my intention to minimize everything that has been accomplished or attempted up to now by the provinces, by themselves or in co-operation with the federal authorities. There have been remarkable successes, but also, dismal failures; there have also been projects which did not even get started because, in my opinion, the required expertise, technology, and staff did not exist.

I merely say that in the area of regional development, the provinces, and unfortunately, most of the time the have-not provinces, do not yet have at their disposal the required staff, technology and administrative support. The mover of the motion, the hon. member for Egmont (Mr. MacDonald), said earlier in the debate that the federal government must show leadership in the area of regional development. I will tell him very simply, for maybe the minister was too humble to say it, that this is what we have been doing since 1968, Mr. Speaker. This government has shown leadership since 1968; it has fully fulfilled, in my opinion, election promises after election promises. Perhaps it did not know how to come up to all our expectations, or it has not been able to, but it has definitely shown leadership. However, the hon. member for Egmont must recognize, as the Minister told him earlier, that in our federal system, this leadership cannot be and should not be imposed unilaterally on the provinces—at the risk of hearing those very same opposition members and the provincial premiers clamouring that we are trampling on the provinces, that we are making a farce of their powers, that we fail to respect their jurisdictions.

The crux of the problem and of the challenge which confront all governments is to find a compromise and seek a magic formula which would satisfy everybody in respect of jurisdictions. I am convinced that the people from the Atlantic provinces are sick and tired of listening to the whining of the opposition parties and editorialists, all snug and cozy in their offices, suggesting that DREE has fallen short of its objectives. In fact, I believe that the good and honest public will readily admit now that DREE effectively contributed in a very positive way to the development of the economic potential of the Atlantic provinces. No miracle has been accomplished yet by the Department of Regional Economic Expansion nor have the incumbent Minister and any of his predecessors, for that matter, yet been canonized.

Some hon. Members: It is coming, though.

Mr. Corbin: But I would simply like to say to the Minister not to get discouraged, not to despair, as I believe he is going in the right direction. Anyway, canonization is never achieved during one's lifetime. Of course, Mr. Speaker, we expect a greater participation from DREE. But we are not simplistic enough or candid enough to believe that DREE can succeed in its mission, in spite of the provinces.

● (1730)

The exercise in which the two levels of government have engaged, particularly since the conclusion of general development agreements in almost every province, should not be limited to a calculation in dollars and cents per capita. The outlook which inspired the signature of the agreements requires much more flexibility and humanism from the parties involved.

I, for one, am satisfied with the fact that the present minister is well aware of the importance of this openness of mind, of the search for a compromise, and I hope his provincial colleagues will follow his example. For instance, why does the government of New Brunswick still refuse to recognize the necessity of an overall plan, a comprehensive attack, in a small province such as New Brunswick which has some 660,000 inhabitants?

I was listening a moment ago to the hon. member for Halifax (Mr. Stanfield), former leader of the official opposition, who said it was sometimes necessary, if not always, to adopt a piecemeal approach in regional development, that is to say, to deal first with large urban centres so that the effects of advantages that can be obtained there will gradually be felt in rural areas. That is not what happened in New Brunswick,Mr. Speaker. Under the guise of a planning policy of urban centres growth poles, an exodus from rural areas in New Brunswick took place. The population growth in the area I represent has been almost nil since the 1971 census. Yet, the people of my region want to work and they go wherever they have opportunities, in New Brunswick, in Quebec, in Ontario and often in the United States.

I repeat what I just said: I suggest that in a province such as New Brunswick, unless we have a comprehensive plan, an overall approach covering the entire province, we will not be able to fight efficiently against regional disparities in these provinces.

I agree that the hon. member for Halifax is probably right in saying that our overall strategy should not be restricted to the provinces and that we must concentrate our efforts on a regional basis. I am of the opinion that the Council of Maritimes Premiers, insofar as Nova Scotia, Prince Edward Island and New Brunswick are concerned, is indeed the most appropriate instrument with which to formulate this regional strategy. Why has the New Brunswick government for almost seven years concentrated most of its investments in the south of the province while DREE, under its industrial incentives program, its FRED program, was making an outstanding effort to meet all the demands, especially in the north.

Up to now the various development agreements have been quite discriminatory against several areas in New Brunswick, and that is not by sheer accident, precisely where the highest unemployment rates are to be found. How come people are now saying in New Brunswick that there is a provincial government for the south and a federal government for the north? In my opinion, it is the symptom of a major weakness in the development policies of the provincial government. I am aware that the Minister of Economic Regional Expansion has been making worthy efforts lately, if not during the past months, to try and correct this discrepancy and urge the provincial government to see to it that all areas in the province benefit from federal assistance. It will soon be nine years since I came here, Mr. Speaker, and all that time I have supported the government which often heeds my criticism that I mean to be constructive. I am proud to support my government and to have been associated with men like Jean Marchand and the Secretary of State for External Affairs (Mr. Jamieson). The present minister spent two days in my region last fall to hear the municipalities, the regional development commissions and leaders in general. All those people unanimously agree that the Minister of Regional Economic Expansion (Mr. Lessard) has his heart in the right place and understands very well regional aspirations.

In conclusion, Mr. Speaker, I say once again that I regret we had so little time, such short notice, to prepare adequately for the debate on today's motion which hit us somewhat unexpectedly. I find this regrettable, because we have or would have had so many things to contribute to this debate, we would have so many positive recommendations to make, but because of our other duties elsewhere in these premises, we find it impossible to accomplish as much as we would like to. In conclusion, I want personally to congratulate once again the Minister of Regional Economic Expansion, to urge him forward and encourage him to always seek with his provincial counterparts those compromises which are so hard to arrive at.

Mr. Roch La Salle (Joliette): Mr. Speaker, I am also pleased to take part in this allotted day debate on an issue of concern to all members of the House. According to the previous speaker, there is no doubt that the government is quite satisfied with its efforts and its attitude—

Some hon. Member: True!

Mr. La Salle: Surely some members opposite will say it is true. The minister was more honest. He said that he was not satisfied with the situation. I think that we will understand each other. Is there need to recall the statements made by government representatives at the time when that department was established and was supposed, mind you, to settle practically all economic problems at the regional level. Some efforts were undoubtedly made. The results prompt us today as members of the opposition to remind the government of the problems still facing the Canadian people.

And I recently heard and carefully listened to the statements made by the minister in Montreal or elsewhere which contained the best of intentions. Every opposition member agrees with those intentions, but asks that action be taken. Everyone will readily say that it is perhaps too late to talk about those intentions and the funds supposedly available to remedy the situation.

I come from a province that the minister knows well and I wish him of course every success in his new responsibilities, but I think that Quebecers could benefit from any measure the minister might take to improve the critical situation now

prevailing in the province of Quebec. The hon. member for Halifax (Mr. Stanfield) talked about the Maritimes and particularly about Quebec, and the motion refers to the regions hardest hit by unemployment, and I think nobody would blame me for reminding the House that the province of Quebec is much concerned about its unemployment rate.

Mr. Dupras: Give us examples!

Mr. La Salle: And the hon. member for Labelle (Mr. Dupras) speaks about a bad government in Quebec as if the situation there were recent. Mr. Speaker, we already had problems two, three or four years ago. And the hon. member for Halifax (Mr. Stanfield) pointed out the indisputable fact that under Liberal governments in Ottawa and Quebec there were already tremendous difficulties. The difficulties we are now experiencing could easily be anticipated. It was not for want of warnings. I think the hon. member for Halifax has given this government excellent advice for several years. He has been made the laughing stock, he has been called . . .

● (1740)

Mr. Béchard: And you dropped him.

Mr. La Salle: . . . a prophet of doom, and the government rejected his suggestions. The hon. member for Halifax had made his intentions clear following the 1974 elections. Besides, the government gave partial recognition to the value of his suggestion in adopting a very well known measure, but if it had been implemented 100 per cent, we would not have the problems the Anti-Inflation Board has had and still has. So this might be the problem now. Since the 15th of November, we have heard many comments of course. Reasonable people have told us of the difficult and delicate situation prevailing in Quebec. Quebecers have responded to repeated frustrations due to the action of the present government. Is it necessary to recall, Mr. Speaker, the representations and the recommendations which were made by the then Liberal ministers in Quebec. I remember very well men such as Mr. L'Allier, Mr. Saint-Pierre, Mr. Castonguay, Mr. Hardy and Mr. Choquette. I remember they made recommendations and demands concerning various responsibilities, particularly in the economic field, advocating additional expenditures. These men received a great many negative answers, and we were surprised to see on election night that Quebec had lost confidence. We are surprised, and there is the danger; we continue to ridicule the situation or to pretend that we are going to deny available services to this province through day-to-day provocation.

Mr. Dupras: This is not correct!

Mr. La Salle: I hear that this is not correct.

Mr. Dupras: Give examples.

Mr. La Salle: Examples? Well, we are concerned about the visit of Quebec minister Claude Morin to Paris. We are concerned about his visit. However, how many Quebecers have been in Paris? But we are concerned about this. Given the circumstances, Mr. Speaker, it is the government approach made up of confrontations which often lead to arrogance. We refused to establish a genuine dialogue with the provinces. We treated them as if they were opponents instead of allies.

Some hon. Members: Not true!

Mr. La Salle: Mr. Speaker, I am shocked to hear my hon. friends opposite say that it is not true. The federal government should stick to the following policy at the present time: we want to be respectful in order to be respected. I think we have a unique opportunity to do it now and given the climate and concerns which are being expressed in Quebec, the federal government has the immediate obligation to prove that restoration of economic progress is possible within the framework of the constitution but it ought not to adopt a negative attitude. We cannot turn our backs on the government of Quebec at the present time. We cannot be sulky with it, and in the interest of Quebecers, Mr. Speaker, time has come now to prove that it is not only possible to help Quebec but also all provinces.

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

Mr. La Salle: The hon. member for Labelle who almost never takes the floor!

Mr. Dupras: Mr. Speaker, I would like the hon. member for Joliette to give material evidence on the way the federal government impedes or delays the economic progress of the province of Quebec. If he is fair and if he knows what he is talking about, he is going to give us concrete examples; otherwise he should refrain from talking.

An hon. Member: He has not got any.

[*English*]

The Acting Speaker (Mr. Turner): Order, please. I think we are getting into the realm of debate. That is not a point of order.

[*Translation*]

Mr. La Salle: Thank you, Mr. Speaker. I would invite my colleagues from Quebec to speak out. I am not talking about the Minister of Regional Economic Expansion. He told the House what he intends to do and I think he means well, I simply say that the time has come to do something. I hear the hon. member for Labelle who makes me lose 30 seconds of my speech. Too many members from Quebec were absent, kept silent about the recommendations made by the province of Quebec well before November 15, Mr. Speaker. That representation of 60 members, taking Quebec for granted, preferred leaving their own government give as many negative answers to Mr. Bourassa's government, we remember that, not only today's government, but Mr. Bourassa's government.

Mr. Dupras: Give examples.

Mr. La Salle: And I say that with respect to communications, immigration, and so on, the Liberals were pitiful con-

cerning the recommendations made by the government of Quebec. One wonders after why Quebecers are so concerned today and so frustrated about the current system. It is not the system or federalism as it is which is bad, Mr. Speaker, but the way it is applied. It was not applied properly.

Someone has suggested earlier to let the federal government establish priorities at the provincial level. I am against that because the provinces have not really contributed enough to important decisions. The minister underlined the importance of better cooperation between various departments and it is certainly a necessity but the cooperation of provinces is also needed to establish a dialogue between them and set priorities. Then, the federal government will be a complement to the desires and aspirations of provinces. I do not speak only for Quebec, actually—

An hon. Member: Like a federal-provincial conference!

Mr. La Salle: Mr. Speaker, if the hon. member for Labelle has something to say later, he will certainly get the floor. But as soon as they are criticized for having maintained a silence which is awkward and disappointing for Quebecers, they take the floor. Of course, they do not like it.

But the CBC, anyone, will be made responsible for the present situation when this government has been in power for 12 years. Twelve years ago, this government was supposed to deal with unemployment. There were 168,000 unemployed in 1968 and there are one million now but, nevertheless, some people dare say that Quebecers are privileged and not so unfortunate. No, Mr. Speaker, I do not think we could commend this government for its performance until now.

I could mention the north shore, northern Quebec where people are living far from large centres and penalized because of their geographic situation. I do not think that this government can refuse to consider giving compensation to these areas because of their geographic situation. Heating and transportation costs are higher, industries are less and less interested to go there because competition is more difficult. As members of parliament we have asked the government to consider the difficulties of the people living in remote centres and we are aware of their problems. I think that the Department of Regional Economic Expansion could bring about some solutions. An unemployment rate of 20 per cent has been mentioned for Témiscamingue, and in Gaspesia it stands at 25 per cent, the highest unemployment rate in Canada.

● (1750)

My area will reach the 20 per cent mark the way things are developing. It is important in my view that we reconsider this now, and DREE has the tool to do it, namely the setting up of designated areas. Recently, in Montreal, the minister referred to the possibility of investing millions of dollars in the metropolitan area. He recognized the problems now faced by Montrealers and the increasing unemployment rate.

This is important in my view, so I urge that the Montreal region be declared as soon as possible a designated area. Mr. Speaker, there is something I have never been able to understand. I was put in the Montreal-Mirabel corridor, and I call that taking quite a roundabout way. My constituency like many others is now in the throes of serious difficulties. We must urge the government to apply very special, short-term remedial measures in areas where the unemployment rate is the highest. Of course, we will be criticized for asking this at this point. But, in my view, we are committed to do so. We are also committed to remind the government that people are suffering, not only in the province of Quebec but throughout Canada. My colleagues have mentioned this before, and others will again. So, as far as my area is concerned, I will certainly take this opportunity to ask the minister to consider reviewing the issue of currently designated areas as related to those that are now experiencing worse difficulties. Reference was made to the Montreal area. My area is also having difficulties. There are districts where the unemployment rate is reaching disastrous levels. We certainly are aware of that.

DREE's main objective was to take care of regional disparities. In all fairness, I do not believe this government deserves any commendation for the result it has achieved. Of course, some will say that the government has spared no efforts, that it has invested money, that it has worked hard, that it has made studies. This is not enough, and I say definitely not enough, and when people talk about our million unemployed workers, especially in Quebec, there is concern about the close-down of a number of plants and about the fact that the government has failed to study or plan to save Canadian industries.

Mr. Béchard: Others will be closed!

Mr. La Salle: The hon. member for Bonaventure-Îles-de-la-Madeleine talks about the closing of yet other plants. This does not worry him, but it does worry me, Mr. Speaker, to see that plants are now closing down in Quebec. A decent and respectful government has no right to hesitate one moment to offer something to the Quebec government, and to all of the provinces. Since I am speaking about Quebec, I believe that this government should immediately offer concrete proposals to the Quebec government. This government should dare the Quebec government to refuse! Then the people of Quebec will be in a position to pass a judgment on their government.

Mr. Béchard: The industries do not want to stay in Quebec!

Mr. La Salle: I hope that this government will immediately offer the provinces—and especially Quebec in view of the present dangerous situation—ideas, legislation and possible investments, and that it will concentrate its efforts not only on keeping open the plants that we now have, but also on saving the industrial community in Quebec and Canada and on taking steps to create additional jobs. Of course, there is Canada Works and Young Canada Works. Hundreds of millions of dollars have been voted for these programs, but this is no insurance for the future, Mr. Speaker. These measures are merely remedial in character and we are forced by the circumstances to accept them. I am happy that some of those projects are being funded in my constituency, but it is not an insurance for the future, not only of Quebec, but also of Canada. I

believe that DREE should co-operate as soon as possible with the provinces. Someone said earlier that certain provinces did not have the means to undertake the required studies. There is no doubt that the federal government should contribute to these studies and surveys.

I would want them respected, and the provinces free to set up their own priorities. I feel that nobody knows better than the provinces themselves what their goals and priorities should be. Therefore, the central government must commit itself to that, and the sooner the better, in the present context, while taking into account the unemployment situation and the number of unemployed. I am sure that there is no member of parliament who does not feel any concern for the great number of young people who are growing in this political climate which may eventually take a turn for the worse.

Mr. Béchard: Mr. Speaker, I would like to ask the hon. member for Joliette if he would allow me a question before six o'clock.

Mr. La Salle: No. After six o'clock.

Mr. Béchard: He said after six o'clock because then he will not be able to answer it.

Mr. La Salle: Mr. Speaker, today the hon. member has a golden opportunity of rising and speaking on behalf of his fellow-citizens, a golden opportunity of telling the House that he and his electors are quite happy about the million unemployed in the country. That is not true! No one in the province of Quebec is happy. The minister had the courage to say so, but not the hon. member for Bonaventure-Îles-de-la-Madeleine.

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

The Acting Speaker (Mr. Turner): The hon. member for Bonaventure-Îles-de-la-Madeleine on a point of order.

Mr. Béchard: Mr. Speaker, I object to the hon. member for Joliette making such cheeky and stupid remarks about me and my electors who are every bit as worthy of respect as his. A while ago, I wanted to ask him whether he feels the Department of Regional Economic Expansion is to blame for—

[*English*]

The Acting Speaker (Mr. Turner): Does the hon. member for Joliette (Mr. La Salle) accept a question?

[*Translation*]

Some hon. Members: It is fear!

Mr. La Salle: I have no time to waste trying to reply to the insignificant questions of the hon. member for Bonaventure-Îles-de-la-Madeleine.

[*English*]

The Acting Speaker (Mr. Turner): I regret to inform the hon. member for Joliette that his time has expired.

Mr. McCleave: On a point of order, Mr. Speaker, the time of the hon. member who had the floor was taken up by interruptions. He lost about two minutes because of interventions by hon. members opposite, and I think he should have the benefit of those two minutes.

The Acting Speaker (Mr. Turner): I must inform the hon. member for Halifax-East Hants (Mr. McCleave) that this was taken into consideration by the Chair.

[*Translation*]

Mr. Claude Tessier (Compton): Mr. Speaker, I am delighted to take part in this debate, the more so because it will afford me the opportunity to calm down the tempers, something which I feel is necessary at this time. Just the same, I should like to suggest to my friend the hon. member for Joliette (Mr. La Salle) that he will probably be satisfied, for I intend to admit later and do admit now that problems exist and that it is really together that we are going to solve them.

Then again, and I mean this as a very friendly suggestion, if the government has a part to play in this, a part which is in constant evolution, so has the opposition. It has to know what and how to ask and, in the near future, when it must stop asking.

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

The Acting Speaker (Mr. Turner): Order. It being six o'clock, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Tessier: Mr. Speaker, just before dinner, I merely had the time to calm down the House, and I would now like to deal with the subject immediately.

As a matter of fact, this is an opportunity for me to speak on behalf of non-industrialized Quebec, and its immense rural regions. However, I must admit that as a government member, I am faced with a dilemma. I am faced with a situation that is not good, to say the least, and, on the other hand, with inadequate economic structures, which are common to all non-industrialized areas, with a sparse, aging population, and which are very often deserted by young people, because of the lack of job opportunities, and where industries disappear one after the other, and are very often not replaced. This is the dilemma a government backbencher finds himself in, namely to recognize certain facts and accept that problems do exist. But on the other hand we have to choose the hard course of trying to build in an economic climate where almost everything seems impossible because those who want something

expect nothing short of miracles while lying, threatening and destroying.

● (2010)

Mr. Speaker, it has to be agreed that it is easy to criticize, and that is the course the opposition seems to follow; this week's motion is just a rehash of the one we heard last week—long theoritical statements that would mean anything but finally mean nothing. I would like to illustrate with a specific example the process which leads to unemployment in regions like mine. First here is the text of a telegram I just received announcing the closing of a plant in my riding, and I quote:

This is to inform you of the decision made by Domtar Packaging Limited to end all its operations and close its kraft paper and board plant in East Angus, Quebec. This move will involve the lay-off of about 570 employees mostly represented by two unions affiliated with the CNTU. This difficult decision is inevitable for us as a result of the problems set by the current economic factors and the long term out-look for this plant.

Besides, here is the text of the letter that the general director sent to each of his employees, and I quote:

We are sorry to inform you of the decision of Domtar Packaging Ltd. to discontinue all its operations and close down its kraft paper and board plant in East Angus. The Minister of Labour and Manpower and the Minister of Industry, Trade and Commerce were informed of our decision. We know that you are aware of the economic problems which have been facing the company over the years. We fully understand the impact this decision will have on yourselves and families. The reasons for this important decision are as follows: 1. In the late sixties and early seventies, a major capital investment program was considered for the East Angus plant; the money was supposed to be used to replace the recovery boiler, reduce pollution, increase the production potential and improve productivity. This modernization program has never been implemented because it was not fully justified, at that time in view of other priorities and of the risks inherent to the kraft paper markets. Finally, the quick increase in capital costs in the last few years, due to inflation, made it impossible to reconsider such an investment program. 2—We had to reduce the operation rate of the recovery boiler in August 1976 for safety reasons. There followed a drop in the production capacity of the kraft plant from 70,000 to 50,000 tons which, combined with the present cost of wood, energy and manpower, made the plant economically not viable. 3—The funds which are necessary to increase production and bring productivity to a satisfactory level, to replace machinery and comply with the new pollution standards, cannot be generated by the operation of the East Angus plant. We could not have an acceptable return on investment, even if the funds were coming from external sources. In spite of the present labour situation, the company is prepared to give its employees a layoff notice as long in advance as possible. You are hereby notified that the plant will ceast its operations and that your employment with the company will be terminated at midnight on September 30, 1977 at the latest.

This is a story which happened repeatedly in my constituency, Mr. Speaker, in the cases of Épingles Mégantic Manufacturing, Kilgour Limited, George Sheard Ltd. and which combined with other layoffs to bring the unemployment level to over 20 per cent.

If we refer to the particular situation in the riding of Compton, where the labour force is made of about 22,000 workers, if we consider that in the town of East Angus alone, the third largest town in my constituency, unemployment now affects about 1,350 people, we get to the fantastic rate of unemployment of 36 per cent, if we include the forthcoming closure of Domtar Limited.

I must say that East Angus, the third largest town in my riding, was enjoying the best average wages among the 66 municipalities in my constituency. The economic factors considered are as follows: productivity, high wages and, more recently, language problems, labour relations issues, security and pollution problems.

The solution we should apply under the circumstances would cost about $30 million to update the East Angus plant. The question we must ask and accept that it be asked is the following: Why should Domtar invest in East Angus? Why should Domtar accept to invest in Quebec? Why should Domtar accept to invest in Canada or elsewhere? Who would venture an answer? Until we have proof to the contrary, the answer belongs to the one who will have to pay, which means that indeed the decision to close might very well stand.

Concerning long term opportunities, profitability, security and labour relations, can we look forward to new developments? Finally, Mr. Speaker, this motion is a good opportunity to ask the question: to what extent is the federal government responsible for that closing? Frankly, I would say that the government is in no way responsible, but if we say that the plant should stay open, that to be economical production costs should go down by 25 per cent, then who would be responsible for the cost of such an industry? Could we require the employees to accept wage reductions? If so, who would dare ask such a question? If so again, why should the employees alone have to pay? Why should some industry workers have to pay for the present economic situation?

The one hard fact is that we will have to use unemployment insurance immediately and perhaps even social welfare in the long run. How much would the federal government be prepared to pay to prevent such a situation? The opposition has been trying today to give us a lesson, but just what is it prepared to do to support the government to protect about 5 per cent of the manpower in a riding such as Compton?

That is a sad question and unfortunately the answer has been the same in past years—shut down after shut down. Let us consider Quebec generally. Certainly the government is criticized because it is supposedly responsible for everything, or so most people think.

So, on November 15, as he was regarded as the only one responsible for everything that went wrong in Quebec, Mr. Bourassa was voted out of office, and today what has become of it? We hear the same old story over again every day that we are fed up with multinationals and with employers who want to be their own boss and that such employers who refuse to pay high wages are not good citizens. In summary, we want to enjoy every benefit from capitalism and socialism without having to pay for it and often without even having to make a choice. Therefore, who is going to create employment? Is it the government or private enterprise?

It is about time we start being consistent and realistic. If there is such a thing as the right to work, it must certainly be extended wherever possible. Can we not be positive? If so, let us stop blaming workers, businessmen, manufacturers or multinationals. Our prime concern should be the respect for the worker and for the one who provides work. Only on those conditions is the right to work possible. But before that, we

have to look back and see what are the responsibilities of each of us.

The Conservative motion could be useful as the government recognizes also the necessity to level off regional disparities. What was true yesterday still holds true today and, I dare say, will still be true tomorrow. It only takes a little honesty and realism to recognize this fact. Why then try to pretend? It is precisely what contributes to destroy the credibility of politicians who always find the solution when they are in the opposition but who would be quite powerless to act if they were in office.

Mr. Speaker, today's motion may once again be just so much wasted time, with all the stories people would like us to believe. But for us, we want to make history for the benefit of Canadians. As for me I want to commend the minister and the government for what they have accomplished. I believe that if the hon. member from Egmont (Mr. MacDonald) had taken the trouble to read the DREE annual report for 1975-76, he would have realized all the efficient work done by the Minister of Regional Economic Expansion. He could have read over the document on development context published by the Department of Regional Economic Expansion. He could also have read various brochures on the development perspectives for each region of Canada, again from DREE. He would have found that these are not only empty words and vague hopes but concrete gestures to meet the needs of Canadians from whichever region they are.

Of course I agree with the hon. member that when one talks of a development strategy it happens too often that one cannot reach our remote areas where there is precisely the greatest need to show imagination and find the know-how to make our laws apply. It is well known, Mr. Speaker, that in my region, as it is the case for that matter in the whole of rural Quebec, people tend too often to think they are at the end of the world, that they never see anything from the government which always appears too remote. This is when we fall back on local arguments which are neither dynamic nor effective with reference to Canadian and regional economies.

I can understand the opposition's viewpoint but with some reflection and sufficient courage, the discussion can be carried on the national level. The government is not responsible for the present crisis and the solutions should rather come from the various government levels. Thus, the federal government must and does assume an effective leadership in regional development. Moreover this is the very essence of Confederation. The federal government is ready to do so, it is ready to provide that leadership without forcing its way otherwise we would already have heard complaints about its arrogance and its centralizing power.

Provincial governments also have a role to play, and even the one in Quebec must play that role to the benefit of Quebecers, because they have as much right to the benefits of Confederation as all other Canadians. Let the Quebec government be the true and good government they are committed to be, let them not prevent the Trudeau government from also being true and good government for Quebecers. But the way things are going, the Trudeau government will have to be not only the good government they are, but a tremendous one supported by a no less tremendous opposition, because they will have their minds up to whatever is needed to keep Quebec within Canada. I still believe this is possible, because it is what a majority of Quebecers wish for, with essential *provisos* that are nonetheless fair and reasonable. Mr. Speaker, all of us here in this House, wherever we may sit, we have an efficient role to play in meeting our constituents' needs.

Below provincial governments, there are municipal governments who are also responsible for development, and that development must indeed fit in with the wishes and possibilities of the people. Finally, citizens themselves are involved in development, to various degrees and in various capacities. In conclusion, I would suggest that the government is prepared to share its responsibilities. We know the job is far from completed, but together we hope to succeed in working for the good of all Canadians wherever they are, including those in Quebec and the Maritime provinces.

● (2020)

[*English*]

Mr. John C. Crosbie (St. John's West): Mr. Speaker, there is one thing that the present government can do that would be for the greater good of the country and that is to resign office tomorrow and allow a government to come in that would make an attempt to overcome the conditions discussed in the resolution now before the House. The policies of the government have led to the conditions set out in the final words of the motion which read:

> . . . has resulted in a crisis of economic stagnation and unprecedented unemployment in Quebec and the Atlantic provinces.

Who should take the credit or the blame for that? The government that has been in office for the last 14 years, since 1963, has to take the credit or the blame for the present economic conditions in Canada. It is the same government that took credit when things appeared to be going well that has to take responsibility when we are in a period of abysmal and unprecedented unemployment in eastern Canada and the Atlantic provinces—this government, this Prime Minister (Mr. Trudeau) and his predecessor, who have been in office for the last 14 years. The best thing they can do to show they still have a feeling for what is good for the country, is to get out. The country will be ruined if they stay for another year before an election.

Is there a crisis of economic stagnation and unemployment in eastern Canada? Let me speak for a moment of Newfoundland. The latest figures available show that from April 10 to 15 the actual work force in Newfoundland was 180,000 people, 145,000 of whom are employed and 35,000 of whom were unemployed. The actual rate of unemployment in Newfoundland for that week was 19.2 per cent. Any government that felt any pangs of conscience at all would resign from office in the face of those figures. Unemployment stands at 19.2 per cent, when a Liberal government has been in office for the last 14

years, Mr. Speaker, doing such wonderful things for the people of Canada.

Get out! Get out before it is too late. Get out while people are still prepared not to hang you on the way out.

An hon. Member: Louder.

Mr. Crosbie: Mr. Speaker, if the hon. member keeps his ears open he will hear. In addition to the unemployment figures it is shown that the able-bodied on relief in Newfoundland at the end of March numbered 4,100 men and women. These people no longer qualify for unemployment insurance so we had to add them to that figure. Today I am told there are 63,120 people drawing unemployment insurance benefits. I have not had time to find out why so many should be drawing benefits when there are 35,000 unemployed. There must be some explanation of that.

It is a desperate situation, Mr. Speaker. Newfoundland is a province where 20 per cent—that is a conservative figure—of the labour force is unable to work because they cannot get jobs. Yet this government has the gall to stay in office. It should resign immediately.

The hon. member who just resumed his seat led us to believe we should congratulate the government. Congratulate them for what, Mr. Speaker? For 19.2 per cent unemployment? For the 4,100 able-bodied on relief?

An hon. Member: What did you do when you were a minister?

Mr. Crosbie: Let us in and we will show you. Are we to thank the government and the Department of Regional Economic Expansion for reducing expenditures in Newfoundland despite the economic situation? The Minister of Regional Economic Expansion (Mr. Lessard) himself said in committee several days ago, as reported in issue No. 12 of the committee's proceedings, that in 1974-75 his department spent $68.3 million in Newfoundland. In 1975-76 the department spent $68.2 million. In 1976-77, last year, when the economy of the province was going down and unemployment was high, how much did DREE spend in Newfoundland? The minister says he expects the final figure to be close to $60 million. Why did DREE spend $8 million less in Newfoundland last year, when the economy was worse, than it did the year before? And the minister said that this year, with 20 per cent unemployment in the province and 4,100 able-bodied on relief, he hopes to spend $60 million in the province. Mr. Speaker, that spending will not even keep pace with our inflation rate.

● (2030)

If the minister wanted to keep up the level of spending of three years ago, he would have to spend more than $80 million this year in the province. Are we to get down on our hands and knees and thank members of the Canadian government for what they are doing to overcome this situation? Not on your life. We regard them with absolute contempt for the way they have handled the economy of Canada in the last five years. In Newfoundland we cannot wait for the chance to give them the works in the next election.

What can one say about the economy of Newfoundland? What has happened to our economy in the last few years?

An hon. Member: You left it.

Mr. Crosbie: Mr. Speaker, I am here to speak on behalf of the people of Newfoundland who sent me here last October 18.

An hon. Member: Yes, you left Newfoundland.

Mr. Crosbie: Hon. gentlemen opposite are very sensitive. They are pretty touchy. What has happened under this magnificent Liberal government? What has this government done in the last few years to our Newfoundland economy? In 1975 the gross provincial product went up 0.8 per cent. We had less than 1 per cent growth in 1975 under the great Trudeau government.

An hon. Member: But the Tory government of Newfoundland has some responsibility.

Mr. Crosbie: The Minister without Portfolio (Mr. Horner) should resign from this government. But he is committed to it now. Yes, our economy grew 0.8 per cent. In the next year, 1976, our gross provincial product went up by the magnificent total of 1.2 per cent under this wonderful Liberal government. The forecast for this year is that it may go up in real terms by 2 per cent. That is the record of the great Liberal government. That is how it is swelling the economy in Newfoundland and eastern Canada.

And what has this government done about the inflation rate? What is the record of this magnificent government, the hem of whose pants we are supposed to kiss every day or else be accused of bad taste in the House of Commons? What has it done about inflation? While we are being crucified with unemployment, what has the government done about inflation? Why, Mr. Speaker, it has done magnificently. In 1975 the cost of living went up 11.5 per cent in Newfoundland. While our gross national product went up 0.8 per cent, the government outdid itself with permitting an inflation rate of 11.5 per cent. So much for its attempts to control the central banks and the currency. And what did it do the next year, in 1976? It twisted our arm even further.

Mr. Guay (St. Boniface): Mr. Speaker, I wonder if the hon. member would permit a question.

Mr. Crosbie: I do not have the time, Mr. Speaker.

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a point of order. Since the hon. member has been talking about the economy of Newfoundland, would he say what he would like to see happening in that province? Let him tell us what he would like us to do, instead of criticizing. Let him be concrete, and let us hear what he wants.

Mr. Deputy Speaker: Order, please.

Mr. Crosbie: Mr. Speaker, the hon. gentleman opposite may be in charge of multiculturalism, but he is not in charge of Newfoundlanders.

Some hon. Members: Hear, hear!

Mr. Crosbie: In 1976 our cost of living went up 7.8 per cent, after wage and price controls went on, and these controls represented a direct about face on the part of hon. gentlemen opposite. If living costs went down, it was mostly because food prices went down, and these prices have nothing to do with the great wage and price controls program. It is forecast that our cost of living will go up this year at least 7 per cent. That will show you what is happening in Newfoundland.

An hon. Member: Under a provincial Tory government.

Mr. Crosbie: Instead of bawling out and interrupting my speech, hon. gentlemen opposite should be thinking what to do about this problem.

An hon. Member: So should you.

Mr. Crosbie: Mr. Speaker, let us examine again unemployment in Newfoundland.

An hon. Member: What did you do when you were a minister?

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. Perhaps hon. members would be fair to the hon. member and allow him to make his speech.

Mr. Crosbie: Mr. Speaker, I want to point to another serious problem in Newfoundland. In January, 1977, in Newfoundland 23,700 people were registered with the Unemployment Insurance Commission as contruction workers without employment. We have a crisis in the Newfoundland construction industry with 23,700 of our construction workers unable to find employment. What is the Canadian government doing to help us overcome the slump in the construction industry? It is spending less this year on public works and marine facilities than it has spent in the last five or six years. There has been no effort at all to help us overcome this kind of unemployment.

An hon. Member: Tell us about the linerboard mill.

Mr. Crosbie: Thank you for mentioning that, because the Canadian government was appealed to by the Newfoundland government for help, and the government opposite turned its back on the 1,500 people in Stephenville employed in the linerboard mill. The premier and government of Newfoundland appealed to the Government of Canada for special assistance to help Newfoundland put in place some special programs which would help us in this period of tragically high unemployment. But the Government of Canada turned its back on those requests. Actually it helped to push provincial heads farther under water. Yes, cabinet ministers went down to the province; the Minister of Finance (Mr. Macdonald), the Minister of Regional Economic Expansion, the Prime Minister (Mr. Trudeau) and all the rest of them went down there, and they helped to push our heads farther under water. That is the only help we got.

An hon. Member: What is the Newfoundland government doing?

Mr. Crosbie: An hon. member asks what the Newfoundland government is doing. The Newfoundland government is borrowing $199 million this year; God knows it should not be borrowing anything. Of that sum, $54 million is for debt retirement, and slightly over $154 million will be used for a capital construction program in Newfoundland this year. That is what the Newfoundland government is doing. It is trying to get its construction workers back to work. They have just had to announce the closure of the linerboard mill at Stephenville. Mr. Speaker, there is nothing humorous about that. They appealed to the Canadian government for help in an attempt to keep that linerboard mill operating, but the Canadian government said no, it is not economic. It would not put its money into the mill and the 1,500 workers involved, it said, will simply have to go on the unemployment list. The government would not help.

That may or may not have been the right decision, but it is a fact that the Canadian government would not help to keep that linerboard mill going. God knows, the province of Newfoundland has done enough in the last five years to keep it going. In addition, the government of Newfoundland has raised its income taxes again. Our personal income tax has gone up 1.5 per cent again. We pay the highest income taxes in Canada. We are the most highly taxed province in Canada. So you cannot say the Newfoundland government and people are not making every effort possible to overcome their problems.

An hon. Member: By raising taxes!

Mr. Crosbie: The Government of Canada in Ottawa seems to be concerned only about national unity. The amount of business activity generated by the Newfoundland government's capital program will amount to $300 million, including housing, water, sewer and highway construction, and the like. While the Department of Public Works is to spend $63 million in the elephantine area of Ottawa and Hull, it is to spend only $240,000 in the whole of Newfoundland on public buildings this year. I was pleased to hear the Minister of Public Works (Mr. Buchanan) announce the other day that the department would undertake a few projects in Gander-Twillingate, and a few in the Grand Falls-White Bay-Labrador district. I hope he will announce some programs in a few other districts before he is through.

The government in Ottawa is not taking seriously these tragedies, but the poor, strapped Newfoundland government is undertaking a special job creation program; through its department of social services it is to create 1,000 additional jobs. They are doing everything they can in that small bailiwick to overcome that situation.

Our plight in Newfoundland and in the east is desperate. Our economic outlook is bad. The Department of Regional Economic Expansion is spending less and less in our area. The Department of Public Works is doing practically nothing under its construction programs. We have another important industry closing, but what do we hear from the Government of Canada? It says it is throwing its hands up; it can't do anything about it. These problems are too great for it to solve. Its only answer is Canada Works and Young Canada Works. That is its answer.

Let us look at some of the things which could be done The Economic Council of Canada publication entitled "Living Together, A Study of Regional Disparities", says some interesting things. I will not deal with sections of the report to do with disparities, because we are all pretty familiar with them. I will give just one or two examples. In 1970 the average Newfoundland family had roughly one more child and about the third less income than its Ontario counterpart. Apart from housing, it faced a higher cost of living. These factors help explain why Newfoundland is an area of net-out migration and Ontario is not. I could go on through the figures and show the disparities between the Maritimes and Quebec and the rest of Canada.

● (2040)

If poverty is defined as the situation where at least 70 per cent of family income is spent on such basic necessities as food, shelter and clothing, then about 34 per cent of the families in Newfoundland and Prince Edward Island are poor, compared with 11 and 12 per cent in Ontario and British Columbia respectively. On and on it goes.

With regard to earned income, as might be expected in disparities in earning power, Ontario leads the nation while at the other end of the spectrum the earning power of the average Newfoundland in 1970 was only 55 per cent of the national average, and substantially less than half that of the average Ontarian. It is not their fault they have not got the earning power. They do not have the opportunity for high paying jobs. No matter what factor you look at, there are huge regional disparities in this country despite the transfers of income that have taken place in the past ten or 15 years.

Something interesting that is pointed out in this study that should be noted is the federal wage bill. The people in Ontario often feel how much they are contributing to overcome disparity through tax equalization and the like. It is interesting to note the figures given in this study. Take the wage bill of the Government of Canada, page 201. For 1974-75 the wage bill for general government workers in Canada and Canadian personnel amounted to more than $4 billion, with another $1.6 billion going to wages and salaries for employees of federal corporations.

The table shows that the wages and salaries of general government and military employees in the Atlantic provinces, particularly in Nova Scotia and Ontario, are substantially above the per capita average of $185 for the ten provinces. I will give the figures, Mr. Speaker. If you take the federal wage bill by provinces and territories, for 1974-75 it spent $130 per capita in Newfoundland, $70.7 million; $440 per capita in Nova Scotia, a good help to Nova Scotia; $238 per capita in Ontario, $1,927 million. That gives a tremendous cost to the province of Ontario. Ontarians should remember that when they are considering what goes out in tax equalization. There is $238 per capita in Ontario, $440 in Nova Scotia, which has done very well, and $130 in Newfoundland, the lowest of any province. The federal spending per capita for wages and salaries is the lowest in Newfoundland. Keep that in mind when we consider what the payments are for tax equalization to the rest of the provinces.

Then compare the distribution of the federal wage bill and the distribution in proportion to provincial population by province. It turns out that Quebec is the least favoured by the federal wage and salary bill. They have a deficiency or deficit per capita of minus $115. Compared to the average, Newfoundland is the next highest with minus $71, while Ontario is plus $74. These tables are very interesting to see how equalization is working in reverse when we look at federal expenditure for wages and salaries in government, Crown corporations, and the armed services.

It is also interesting to note, when considering the capacity of the Newfoundland government to do much about the terrible situation with respect to employment and the economic situation, that at page 223 of the study it is recommended by the Economic Council of Canada that the governments of all provinces should try to increase demand in bad times as in the Keynesian theory. The federal government should try to do it also on a regional basis. It is interesting to note their recommendation at page 223, and I quote:

> We recommend that, in all the provinces where unemployment rates are usually higher than the national average, except Newfoundland, each provincial government continuously assess how much of its unemployment is due to demand deficiency and stimulate demand by increasing the full-employment budget deficit or decreasing the full-employment budget surplus, as the case may be.

They exclude Newfoundland from that recommendation because Newfoundland is in such a precarious financial position that they cannot recommend that the province of Newfoundland do that. In other words, the province of Newfoundland does not have the financial wherewithal to spend more in bad times, as recommended at page 223 of the report. They will not take the responsibility of recommending that Newfoundland borrow more than it is presently borrowing. Newfoundland has to look to the Government of Canada which has the fiscal capacity and fiscal policy instruments to help overcome this tragic situation.

Is there any wonder that I am going to support this non-confidence motion today? The government has abandoned any commitment it ever had to develop strong regional economies. It still has a Department of Regional Economic Expansion but that department has not built strong regional economies. It is fine to have it spend money, but it and it alone it not developing strong regional economies. No priority is given to national fiscal policies to help the regions, or to transportation policies or energy policies that will help them.

The only new energy policy in the maritime provinces is designed to help only Nova Scotia and Prince Edward Island. It is a new conservation program. A grant of $500 is made to help a householder insulate his home. In addition to Nova Scotia and Prince Edward Island, that should be applied in Quebec, Newfoundland, New Brunswick, and in fact throughout the country. If the government does not have the fiscal capacity to start that all in one year, it can start in one part of Canada and then expand it to the rest of the country.

It is a good conservation measure to have homes properly insulated. It is a humane act of government. It would create tremendous employment in the insulating of homes and in construction work. However, for political reasons the government has only done that in Nova Scotia and Prince Edward Island.

It is not an energy policy to help overcome regional disparities. It is a policy to help the Liberal governments in Nova Scotia and Prince Edward Island. Soon there will not be a Liberal government in Ottawa to do that.

My time has almost expired, Mr. Speaker. I just wish to add a few words by saying—

Mr. Deputy Speaker: Order, please. I have already allowed a couple of minutes to the hon. member for interference. His full time has now expired.

Mr. George Baker (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, this resolution talks about unemployment and regional disparity within eastern Canada. Representing Gander-Twillingate, on the government side, I would like to talk briefly about the problem, specifically about unemployment, not in the highly political manner of the previous speaker, but objectively.

To solve any problem one must know what the problem is. So it is with government and the problem of unemployment. The problem, as I see it, is that in economically depressed areas the problem itself has never been defined.

To tackle the problem, governments have established a maze of agencies. With every new provincial budget, this or that battle is announced to combat rising unemployment, but the war never really begins. Everyone agrees that, in order to combat high unemployment, industrial development must be encouraged. In order to combat inflation you must increase production and stave off high unemployment as well.

In Newfoundland on the provincial level we have departments of government like rural development, industrial development, and development corporations like the Newfoundland and Labrador Development Corporation. On the federal level we have DREE, FBDB, loans to small business, to the fishery and to agriculture. We have government agencies too numerous to mention unless one were to write them down. All of these agencies, departments of government, government established development corporations, sit down in a board room from time to time to consider this or that application for assistance to create jobs, to increase production. The government, and rightly so, is trying to increase production.

• (2050)

Government have an idea of what is wrong, they have a concept in mind, but they do not understand the problem. To understand the problem one would have to experience the problem, or have enough understanding, enough empathy, to put oneself in the shoes of those who form the majority of the unemployed in the areas defined as economically depressed.

You cannot understand the problem, Mr. Speaker, by taking a plane and flying over the area. You cannot understand the problem by taking a ride in a car through an area of high unemployment. To take a walk down the road does not help either. To speak to the unemployed will tell you something. To read their letters will tell you something. To question them will tell you more. What I am saying is that to really understand their predicament you have to investigate as closely as possible what they think, and do so this day, this month, this year.

By understanding them you discover, whether a person is skilled or not, that he or she would rather work than sit idle; that one feels better to come home after working that day. To understand that is the first step; to understand what it feels like to wonder where your next dollar will come from; to place yourself in the position of someone who cannot feed or clothe his children properly, or not be able to meet the cost of heating your home, or be troubled by bill collectors, or appear in court because you cannot pay the school tax. To understand all that is an absolute necessity. But if you do, then, and only then, are you committed, if you are in a position to do so, if it is your job to do so, to try to correct the disparity that exists, to create lasting employment, to rid that area of the depression, an economic and social depression. It would not be so if the rest of society were in the same condition. The grave injustice is that it is evident to the economically depressed that theirs is a situation of circumstance.

That brings you half way toward understanding the problem. The other half is to understand why established procedures employed by governments to encourage a solution have failed. When you understand that, you understand the problem. All of us may differ on the ultimate solutions to the problem, but to understand the problem is the first step.

In the second half of understanding the problem, one must realize that the initiatives of government have been filled with good intentions. A provincial or federal cabinet minister may feel as if he has accomplished a great deal with his department. A civil servant in that department may be just as committed to the cause. Think how distressed they must feel when they come to the realization that their efforts have been in vain. Or perhaps they never realized the truth. The established procedures have failed miserably. They have failed, perhaps, because the policy was devised by persons who do not understand the unemployed in the highly depressed areas, or who cannot comprehend why established procedures have failed.

The established procedures have failed because they have been based on incorrect assumptions. It is assumed that an extra loan at 11 per cent interest will do the trick for a failing enterprise; you assume that the economists are correct; you

assume that the established limits of government support are adequate; you assume that these are the only priorities, that this is the direction you should support; you assume—and this gets to the core of the matter—that what you see is all that can be done, that the policy decision makers are correct.

The sole purpose of my intervention in this debate is to show you that the decision makers have been incorrect. Who are these decision makers? It must be humorous to a student of government, to one who might be investigating regional disparity and high unemployment areas, to visit the legislative chambers on the provincial and federal levels. He could visit us today here in Ottawa and listen to the opposition party blame the federal government. Tomorrow he could visit the Atlantic provinces and listen to the opposition parties blame the provincial governments.

Reality exists in looking at our spending structures. Apart from our normal departmental expenditures on both levels, infrastructure agreements on both levels, loans to small business and the normal housekeeping chores, we are left with over $200 million, in the case of Newfoundland, in equalization payments that is passed over to the province to do with as it pleases. Even in DREE the priorities are negotiated. It is a fact that the province should know how best to spend the money for industrial expansion. This resolution before the House is an example of skirting the edges. It displays the point I raised earlier, that the movers of the motion do not understand the problem and therefore can never comprehend the obvious solutions to unemployment in economically depressed areas.

What are the solutions? If you ask that question of a chronically unemployed man with 11 children, trying to make ends meet in Newfoundland, you would get a better answer than asking an economist, or the lawyers who seem so prevalent in legislative chambers or a provincial premier. He would put it very simply. He would say, depending on his geographic location, "Look, why not a fish cannery with markets for the finished product?" or "Why not a hardwood plant?," or "Why not agriculture?" He would ask the simple obvious question, "Why not let me produce?"

The typical response given to that question is, "Well, if a profit is to be made, private enterprise will move in". The typical response is that there are established government agencies to help him get established. Then that unemployed man will say, "You're full of baloney". And he would be right.

Not only are agencies non-existent to see an idea through seriously but there is no agency to keep a good secondary industry going once it is established or if it encounters trouble. The Minister of Regional Economic Expansion (Mr. Lessard) spoke in this debate. He is a fine minister, probably the best the department has ever had, but if you examine his role in creating long lasting jobs you will find the mechanism just is not there. Yes, DREE has done a lot. DREE puts in water and sewer lines for industrial expansion, paves roads for industrial expansion, builds schools because the provinces cannot afford it, and has an industrial incentives branch to help out a prospective industry. The same can be said for the province of Newfoundland. They also have their departments, loans and grants agencies. They all help, but they fall short of a realistic incentive to do what should be done. It is for the province to deal specifically with the Newfoundland situation in a real sense; but it still has failed miserably. When you understand the problem, when you know the people labelled as living in a chronic unemployment area, when you know the existing agencies have failed, and when you know the opportunities that exist, then you realize that these areas need something extra. They need special attention.

● (2100)

Consider, Mr. Speaker, that the federal government spends about $1 billion in Newfoundland each year and, if we can believe the provincial budget of $1.2 billion, that makes $2 billion of government expenditure in Newfoundland this year. That is $4,000 for every man, woman and child in Newfoundland. I contend that lack of money is not the problem—it is how that money is spent. That is the problem. That brings me back to the matter of understanding the problem in order to understand the solution.

I believe what we need to solve our problem is a government agency that actually initiates industry, that is, a government department made up of persons who know the area and who can identify its potential wealth where possible, and then see it through with government money. If that sounds to anyone like too much government intervention, then I am afraid they are in favour of welfare and Unemployment Insurance Commission benefits instead of jobs. If anyone objected to that initiative, then that objector does not understand the problem.

A government department is needed that will say, "A viable fish cannery can work here," or "a secondary industry that will provide a finished product using our own natural resources can work here." I can tell the House that, as far as I am concerned, that is the only answer. Also judging from the present policies of provincial governments, like the Newfoundland government, they will never do what so obviously must be done. Therefore the federal government must undertake that chore. It can be done by existing agencies and with existing funding, but it needs to be redirected with new objectives.

The established agencies of both governments which presently have the role of encouraging new industry come into play after the fact, mostly with high priced loans which drag the entrepreneur down until he reaches the point of government initiated foreclosure.

Let me illustrate my point briefly by analyzing my riding of Gander-Twillingate. It is an economically depressed area, and private industry will never develop the wealth and natural resources in that area unless government is prepared to participate. By participation I mean financial; I mean marketing; I mean direct real involvement with present tax dollars that are for the most part presently being wasted on low priority spending. Some may say the present spending is high priority. Yes, high priority here and now, and for the next election; but not for the present and future generations. To put the horse before the cart, is what I am talking about.

The economic future of the northeast coast of Newfoundland can only be bright if government spending is directed toward small industry. The industry that does exist is just barely existing. The fishing industry, the lumbering and woods industry are just hanging on by their fingernails, unable to haul themselves up. We will soon be into July, and to some degree I call the month of July the dumping month in the fishery. Fishermen phone me with the news they have to dump their catch—squid, herring, mackerel—year after year. The lumbering industry is on the rocks; provincial government foreclosures, one after the other they fall.

When I first got elected three years ago small would-be entrepreneurs, several of them, came to me looking for direction to build barrels for the fishing industry. You see, we import barrels from Norway to Newfoundland. The provincial government finally conducted an experiment; it sent wood over to Norway to make barrels and it worked perfectly. Not one of the many entrepreneurs who wanted to make barrels could get government assistance because the agencies that exist are ineffective. We still import our barrels from Norway.

Smoked salmon sells for at least $15 a pound and up in markets originating in Boston. Yet in the one area where we permit commercial licences for salmon in eastern Canada, that is, on the Newfoundland coast, we have no such exports of smoked salmon. The possibilities are there for industry, long-glasting industry. We export our fish and our timber in a relatively raw state to be processed into a final product in other countries. When you do find someone interested in a final product, the loans are available at an 11 per cent interest rate, enough to get your head in the wringer if you are lucky enough to get them; and if things go sour for a couple of months, the same government agency moves in to shut you down.

As things presently exist, the man who wants to employ people is by himself, while the provincial government spends $1.2 billion in its budget, and we are at the federal level handing over another $1 billion this year. Thus, when this resolution says that there is now economic stagnation and unprecedented unemployment in Newfoundland, most of our unemployed in that province would ask the question:—so, what else is new?

The solutions are not to be found in shortrun, stop gap, band-aid measures. My opinions, of course, are based on my experience in Gander-Twillingate in the province of Newfoundland, in communities where men are fighting over jobs on Canada Works projects where you make $115 a week, if you are lucky enough to get a job. Do not forget the cost of living is higher in Newfoundland than it is in any other province.

I see my time is running out. Therefore, in conclusion, the best way to reflect the way I feel about the manner in which governments treat our chronically unemployed is to borrow the words of the poet, Elizabeth Browning, which read:

> There's too much abstract willing, purposing, in this poor world. We talk by aggregates.
>
> And think by systems, and being used to face our evils in statistics, are inclined
>
> To cap them with unreal remedies.
>
> Drawn out in haste on the other side the slate.

Some hon. Members: Hear, hear!

Mr. Arnold Peters (Timiskaming): Mr. Speaker, over the years there has been a great deal of faith put in the DREE program by members of parliament. It is time to look at some of the things that are wrong with that program because we have not received value for our money.

We passed the Regional Development Incentives Act in 1968. In Ontario in 1975-76 we had an approximate DREE program expenditure of $38 million, with subsidiary agreements under the Ontario General Development Agreement for another $15 million and the Regional Development Incentives Act for $14 million. It is interesting to note that Quebec is even in a worse position than Ontario. I am surprised that some of the members from the province of Quebec have not given some indication of why the agreements have not been signed in that province and why there is little activity this year, when last year they spent $114 million under DREE, with $38 million for activities under subsidiary agreements and $13 million for the regional development incentives program.

We should ask the minister why we have had very little success when we make these kinds of expenditures. I think a cabinet minister stood up not long ago to reply to a question asked by the hon. member for Cape Breton-East Richmond (Mr. Hogan). The hon. member for Cape Breton-East Richmond was asking why there was a delay in making an expenditure in Cape Breton Island which would solve some of their problems. I heard the minister say that we cannot do that now because we have to wait until we can do it for everyone, and we cannot do it in the province of Quebec until the situation is settled there. It seems to me we should look at it. That indicates one of the problems we have had with DREE. There should have been no balkanization of this country by DREE. We should have provided a program where we could improve conditions in any province or in every province where an entrepreneur wanted to establish. That is not being done.

● (2110)

If the province of Quebec says it is not interested in signing an agreement, the minister is powerless to provide any help to an industry wishing to start up in that province, even though it might have the know-how and the will to do so.

Mr. Lessard: That is not true.

Mr. Peters: The minister says that is not true. It is true. That is how it works. We have signed a general agreement with Quebec. We have signed a general agreement with Ontario. We have also signed subsidiary agreements. The minister put out the DREE report, and if it is not true let him say so. If it is not true he is misleading the House. We have signed agreements with the provinces, and the provinces decide whether projects should proceed.

Mr. Dionne (Northumberland-Miramichi): No.

Mr. Peters: Let the hon. member make his own speech—

The Acting Speaker (Mr. Turner): Order. I suggest we take a look at Standing Order 12(3) which states that when a member is speaking no member shall pass between him and the Chair, nor interrupt him, except to raise a point of order.

Some hon. Members: Hear, hear!

Mr. Peters: I am surprised that the minister and some of his colleagues do not know how the DREE program works. I would be prepared to read it to the hon. gentleman, but I do not think it would help. After all, he is supposed to have written it. The fact is, if we were to put in the program I thought we did, both under ARDA and under DREE, we would be able to help any part of Canada which needed help and there would be no need to "suckhole" to a province to get their help before we could put a program in that province. This seems to be one of our problems. We are balkanizing the country because the minister has not taken it upon himself to put these projects into operation.

Mr. Baker (Grenville-Carleton): This is uplifting stuff. Listen.

Mr. Peters: Not long ago the hon. member for Lanark-Renfrew-Carleton (Mr. Dick) directed a question to the minister and received a reply which hon. members will find on page 4860 of *Hansard* for April 21 of this year. The Ottawa *Journal* comments on this reply. It states that more than half the businesses funded under DREE during the last six years in the Renfrew-Pembroke area never got off the ground after getting the grants.

An hon. Member: That is totally inaccurate.

Mr. Peters: Members over there say it is inaccurate. But I have the *Hansard* here. Applicants in commercial production as of November 30, 1976, were marked with an asterisk. All one has to do is look at the case of Shuffleboard International. In 1970 Shuffleboard International of Pembroke expected to provide 30 jobs. It received a grant of $72,540. The same company, in Renfrew, expected to create 32 jobs and received a grant of $77,238. As of the date on which this reply was presented, the minister told the House that neither one of these plants was in operation.

An hon. Member: Add them up.

Mr. Peters: I shall not add them all up. My time does not allow for that. In summary, 32 out of the 62 companies financed under the Regional Economic Expansion Program were not in production as of November 30, 1976. That is what the minister said. Then the article in the paper states that a total of $13 million was provided in grants during the six years to last November on the promise that 2,729 new jobs would be provided in the upper Ottawa Valley region. But companies which received almost $7 million of the total grants either folded or never got started. At least 399 promised jobs disappeared with those government-funded enterprises.

I listened to the minister today and I agreed with him when he said he was dealing with high risk projects in many cases. But I have a word of advice for the minister, if he really wishes to make the program work.

Mr. Dionne (Northumberland-Miramichi): Don't take your advice.

Mr. Peters: That is a stupid comment. That is the kind of comment you get from New Brunswick. If the minister wants to make it work, why doesn't he take equity in these companies? This would mean putting people on the boards of directors.

An hon. Member: We tried that before.

Mr. Peters: Very well. We did it in the case of Texas Gulf and we now run Texas Gulf. But that is a successful operation so we never talk about it. The minister pays about as much attention to his department as he does to members of the House, so I cannot expect him to learn much, but it would seem to me that by taking equity in some of these companies, if not all of them, in proportion to the amount of money we put in, we would be in a position to assist in the running of those operations. The minister will agree with me, I am sure, that there are some very capable people in his department.

Why do so many of these companies go broke? They go broke, very often, because they are unable to provide adequate management. The operation may be larger than the manager had ever handled previously. It might be encountering financial difficulties or marketing problems with which the manager is not familiar. In addition to the grants we make we should be prepared to contribute some of our expertise, since we are capable of doing some of the jobs management is not able to handle. There have been bankruptcies in my area the same as in the Pembroke area.

In many cases companies go broke because management was not successful in marketing the product. Experienced and competent advisers might, in a few hours, offer suggestions for changing the management structure in such a way that the operation would have a far better chance of success. We do not offer such assistance. We simply make a grant available and the minister does not even know whether a company is successful or not, whether it ever employs anybody. All he can go by is the amount of money repaid, and in most cases no repayment is made until the manufacturing operation has been in production for a year. So a lengthy period elapses, probably two years, during which the minister is unable to tell us whether there are any employees working in the plant.

• (2120)

If DREE is to be improved and is to be successful, it has to be improved in a number of ways. First, it should be a universal program. We should not have to worry about what the Ontario minister of industry thinks, or whether or not the province establishes a northern ministry, or whether or not

Davis likes the way you cut your hair. DREE should have the decision as to whether or not to put money in the plant if it meets DREE requirements. DREE writes the act, and if the industry does not want to do what it says, it will have to, because in most cases it is under an agreement and that agreement must be approved in Toronto. I just notice here that the head office is not in Toronto, as stated, but in Thunder Bay. The assistant deputy minister's office is in Thunder Bay, not Toronto.

Mr. Lessard: No, it is in Toronto.

Mr. Peters: It is in Thunder Bay for northern Ontario.

Mr. Rodriguez: Yes, that is where it is.

Mr. Peters: It is the minister who should know, who else? If I were him, I would not open my mouth so as not to put my foot in it.

Besides being able to provide a universal program across the country, particularly in areas designated federally as underdeveloped, we should be willing also to take equity in a company. The Canadian Development Corporation has done so very successfully. I do not care if the minister only gets 10 per cent in the company, 20 per cent or whatever it may be, but this amount will provide him with knowledge of how the company is doing. He may decide he wants to put more money in it. Perhaps this linerboard mill will be a disaster. Perhaps if we had put some more money in it at the right time, it would have been successful. There is no point in waiting until the company goes broke and everybody in the subsidiary services is affected, then, when the new management comes, to say, "we will give you another grant", and start all over again. Perhaps the second expenditure could have kept the company in business in the first place. To do that we must have equity.

Finally, I think it is absolutely necessary that we unite the abilities we have in the Department of Industry, Trade and Commerce for sales purposes, our experts in the development of new programs, and our experts in management, together with DREE officials, so that when we start a company with a large DREE grant we may be able to provide it with other services to enable it to operate.

Right now if the government wanted to do anything, the Canadian Development Corporation should to into northwestern Quebec and northeastern Ontario to set up a new company there to take over part of the forest industry. We find bankruptcies by the dozens in both areas. The products of those industries go to exactly the same markets. Not one of those companies is capable of conducting a sales program because none are large enough and they do not have the money or the knowledge to do it. They could get some assistance in providing reasonable transportation facilities and in handling their product, as well as assistance in finding markets for the product. It is foolish to produce lumber if flakeboard is what you need, and conversely, it is stupid to produce flakeboard if you can sell lumber. We could increase the price of lumber by $20, $30 or $40 tomorrow if we could get control of the market structure on behalf of those companies.

I do not suggest that we should take over the lumber industry. All I suggest is that the government should become a partner with the industries that are in difficulty so that it can provide them with some loans, with sales ability, and with assistance in management. I do not think that the border between northern Ontario and northern Quebec should be a division. If the corporation could be established across that border, it would find no objection in northwestern Quebec or in northeastern Ontario.

If the minister really wanted to help in such places as the maritimes, he would find that the problems in northern Ontario are no different from those in the minister's area. If he would just take a look at his area of Lac-Saint-Jean, he would find the same problems there as are in all the areas that are not major manufacturing areas. He comes from an area that is mainly a one industry area, the same as I do. I think he should really look at how the DREE program applies there.

DREE is not doing the job it should be doing. We consider the upper Ottawa valley to be a disaster area. We made special concessions in that area, we set up a special incentives program for the area. It is a disgrace when we put that kind of money into an area to find that 32 out of 62 companies are not in operation at the time when the minister makes his report. This is not my report; the minister made it. If it is not correct, I think he has an obligation to rise in the House as soon as I have completed my remarks and to say so, on a point of order.

I believe there is a great deal of sympathy for areas such as Toronto, Montreal, and other industrial cities that are growing by leaps and bounds at great cost to themselves. Montreal cannot afford a sewage system and it will certainly not be able to afford it if it is made any bigger. The same is true of Toronto.

If there is going to be diversification, let us not have a stupid kind of diversification such as moving the files of DVA to Prince Edward Island. It is just about the silliest kind of diversification I could think of, Mr. Speaker. What we want in this country is a diversity of services. We would like the services moved out to the people.

Wherever possible DREE's obligation is to provide industry to those communities that have the infrastructure in the area, to provide it in cases where the area is in serious difficulty because it has lost its major and often its only industry. The Canadian people are willing to make the payment. We have spent a lot of money under DREE. I think we have an obligation to tell the general public that that money is being supervised and is being protected wherever possible.

Yes, Mr. Speaker, I support the minister 100 per cent when he takes risks that the banks and others will not take. But if we take those risks, let us not leave the guy with a huge mortgage on a string. Instead, let us provide him with the infrastructure that will make it possible to have diversification of industry that is successful for the people in the area. Remember that every time a company goes bankrupt, this hurts the people working in the plant and it destroys the service industries that provide the 30 day credit to the plant which they thought would continue to operate. One of the reasons we are having so

much trouble in the areas we assist is that we do not provide the infrastructure necessary for those companies to operate. We could provide it at a reasonable cost. It is something that they cannot get at any price.

I hope the minister will give some consideration to what I have suggested, and if he thinks there is no merit in my suggestions I hope that at least he will think about them.

Mr. Lessard: Mr. Speaker, I rise on a point of order. I would like to set the record straight regarding two or three major statements made by the hon. member for Timiskaming (Mr. Peters) which are not correct, to say the least. First of all, he spoke about assistance for industry. I do not have to go to the province to ask for its authorization to offer a grant to an industry which has applied for it in accordance with the rules. This has nothing to do with the province; it is our own decision.

Secondly, the hon. member mentioned that my assistant deputy minister's office is located in Thunder Bay. That is not true. The head office is in Toronto, but we have an office in Thunder Bay headed by a director general. We have now announced the opening of an office in northeastern Ontario, to be exact, in Sudbury.

The third point is with respect to the Renfrew areas. We offered grants to industries, 60 of them. When we answered the question on the order paper, we answered it on the precise day when the industries we named went into operation. The others were not in operation. They had not failed. Some had just withdrawn their application, so they did not receive a grant from us. Others were in the course of getting started, so they also did not get a grant. They were not in operation.

● (2130)

The Acting Speaker (Mr. Turner): Order, please.

Mr. Lessard: So it does not mean they all failed. That is not the case. My other point—

The Acting Speaker (Mr. Turner): Order. I suggest that the minister is now getting into debate. He has already spoken in this debate.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker—

Mr. Guay (St. Boniface): Hear, hear!

Mr. Stanbury: Hear, hear!

Mr. Robinson: Hear, hear!

Mr. Forrestall: When I am after donkeys I am not going to be misled by jackasses.

There are one or two things which are fairly clear here this evening, and I think they bear repeating. The first has to do with the motion itself, and just to refresh the memories of hon. members present, the motion regrets the government's inability in three or four different areas: in fiscal arrangements, transportation, energy, and trade. It is rather interesting that this afternoon and this evening the only minister remotely interested in being here on a continuing basis has been the Minister of Regional Economic Expansion (Mr. Lessard), and we all appreciate his presence. I hope he goes out of here this evening with a better understanding of the degree to which there is real concern on this side of the Chamber.

My comments this evening will be largely oriented to the role of transportation in the stabilization of the regions we have set forth in the motion, generally speaking, eastern Quebec and the Atlantic provinces.

It occurs to me and to many other people in regions of high disparity and in other regions of Canada that national unity, which has been so much on our minds these past few months, will never be achieved until some reasonable and acceptable measure of equal access to the wealth and opportunity of this country is available to all of us, not just to those who may be living in the central region or in other resource wealthy parts of the country.

I think the report of the Economic Council of Canada, "Living Together," goes a long way toward recognizing this. Indeed it has been much of the basis of our conversation here today, and it does show an understanding of the needs of Canadians, particularly those living in the economically depressed regions of Atlantic Canada and Eastern Quebec.

In this connection I have one basic disagreement with the report of the Economic Council of Canada, and that is with the assumption that ever increasingly transportation will play a less important role in regional stabilization and in regional development. I think that while the Economic Council may be correct in saying that, as a percentage of our total capacity to produce wealth on an annual basis, the relevance of transport in those over-all total global figures is going down each year, of course as our service industries grow, as our tourism grows, and as non-transport related industries grow, transport will assume an ever decreasing portion of that larger figure. However, the point is that neither the Atlantic region nor any region in this country will be able to survive without an adequate, well based, fully rationalized, total and complete transportation system. To assume otherwise or to tend to direct our thinking along other paths is wrong indeed, and to that degree I find the report wanting and deficient. Its information is basic statistical information, and some of the lessons it points out are very valuable, but I cannot help but wonder about the conclusion, particularly with respect to the role of transportation. I think transportation is important and always will be important.

I would like to discuss for a moment or two what has been a particularly touchy matter for the minister this afternoon and this evening. It is in the area of consultation, co-operation, and co-ordination with other government departments at the federal level and with the provincial level, with industry and, indeed, with users of transportation. I want to make one or two observations in this regard because from what we have seen and heard from the minister it would seem that transportation is virtually a non-existent area of co-operation and consultation within the minister's capacity.

We have the federal-provincial western transportation committee and the Atlantic transportation committee, but these

are not really functioning as well as they could. Perhaps the one in the west is functioning reasonably well in terms of the number of meetings it is having, and perhaps in terms of the identification of goals, but it does occur to the onlooker that not an awful lot of useful, productive progress is being made.

I reiterate my point that in terms of the DREE economic programs which are being carried out to meet the problems we have set forward in our motion, a commitment to rid this country of regional disparity is just simply non-existent. Indeed, in the Standing Committee on Regional Development on May 3, when the minister was asked if Air Canada consulted him about cutbacks in the Atlantic region—this had to do with the so-called unprofitable runs in the Atlantic region operated by Air Canada—he said, and I quote:

Not me personally. I do not know, I am not aware if they have gone through any consultation with my department but I do not think so.

The minister was asked if he thought Air Canada's cutbacks would be detrimental to regional development. He said:

Well I am not totally sure of the implications that it might have on the potential development.

That again was on May 3. He went on a little bit further to say the following:

They answer to the Department of Transport and it is through the Minister of Transport that somebody can really answer the point you are making with me.

Why does the Minister of Regional Economic Expansion not take it upon himself to consult with the Minister of Transport (Mr. Lang) about moves which are detrimental to regional development? Why is it that he is unaware of their impact, even their occurrence, despite the fact that he claims he has a close relationship with MOT with respect to co-ordination of plans and efforts by DREE? I think the minister overstates his case perhaps too much. Granted, he does get involved in the western and Atlantic federal-provincial committees, and I hope out of that some useful endeavours are being made. Perhaps I should be fair. It is not always a one-way street with respect to communication, consultation, and co-operation. The Ministry of Transport also has an obligation to make sure that its planning is fully in tune with the planning of the Department of Regional Economic Expansion.

Just before I leave this business of consultation, co-operation and co-ordination, it seems to me that the method of the former minister of transport, now a member of that other place, of eliminating what he himself described as a transportation mess in this country relied very heavily on close co-operation, consultation, and co-ordination with other governments and the industry generally. What concerns me about this close consultation and so on can be found in just one or two examples which I will cite. One example was the very detrimental effect of the utterances of the Minister of Transport at the Charlottetown Conference, those of the Council of Maritime Premiers, and I think of Mr. Logan from the province of Newfoundland. They put us off a little bit. We were told pretty clearly that user-pay had died as a principal economic tool of this government, but we find that in fact it has not disappeared, Mr. Speaker.

● (2140)

I would ask hon. members to recall the most recent conference of ministers of transport. What the Minister of Transport likes to refer to as inefficient subsidies and the redirecting of these into the upgrading of highways, support for regional air service upgrading in eastern Canada and so on, were not co-ordinated with DREE. I think it is time that the Minister of Regional Economic Expansion and the Minister of Transport started bringing their officials together so that they can pursue methods of ensuring that transportation policy and regional economic policy are in tune.

I should like now to touch on a few of the regional services that continue to be of concern to eastern Canada. We must guard against the growing attitude of downgrading as opposed to upgrading rail services in our region. We are pleased that the railway transport committee of the Canadian Transport Commission will hold public hearings, limited as they may be. But I wonder why the committee does not meet on the north and south shores of Quebec in relation to rail passenger service. I am surprised that members from Quebec have not made reference to that glaring oversight in their submissions today.

It must be recognized that one mode of transportation in a region such as Atlantic Canada cannot be improved at the expense of another mode of transportation without serious harm to the total program. What we need is a five to eight-year program of rail bed upgrading, modernization of signal and switching procedures, and the provision of new equipment for both passenger and freight services. In this connection it is interesting to note that tenders closed sometime ago for Canadian Pacific's experimental run between Quebec and Montreal. We would like to know when the minister is going to award the contract and when this experiment will take place. How many trains will run? I suggest that as things stand, transportation programs seem to operate in isolation from each other, to the detriment of the user.

With respect to ferry services, I think that if the minister insists upon the establishment of an independent Crown corporation to handle the Canadian National Railway's ferry service on the east coast, parallel discussions should take place on the essentiality of a marine service to Prince Edward Island and Newfoundland. These discussions should cover matters such as no strikes, no withdrawal of service, and no shutdown of service. These things should be worked out ahead of time and it should be decided whether the service is a designated occupation.

We need a five to eight-year air program designed to stabilize regional air carrier services and rationalization of route structures between main line domestic carriers and regional carriers. We also need upgrading of regional and municipal airports with adequate navigational and safety aids to facilitate the third level air service which is so essential, given the geography and sparse population of Atlantic region centres. But this must not be done at the expense of any other mode of transportation.

We also need a three to five-year program to upgrade highways to all-weather standards. This has been promised for about six years but nothing has been done.

With respect to ports and shipping we must guard against the proliferation and development of ports so that we do not have them competing for a level of activity which is insufficient to support more than one. What has been the value to eastern Quebec of the millions of dollars poured into Gros Cacouna? The port is not in use and there appears to be no use for it. Is this another example of little or no consultation or co-operation?

There has been a startling failure on the part of the government to understand the reality of today's movement of containerized cargo. For example, Halifax does not really compete with Montreal; rather it competes with the ports along the Atlantic seaboard. We have to recognize this if we are to develop programs that are integrated and related to the part of the country from which most of us come who are here this evening. Failure to recognize this has cost us expanded container facilities in Halifax. There was poor co-operation between the federal government and the government of New Brunswick with respect to the expansion of the Rodney terminal in the port of Saint John.

What is DREE doing about these things? What is it doing about the rationalization of an over-all port authority—perhaps something like the Port of New York authority—with not only intraprovincial authority but perhaps interprovincial authority as well. What is DREE doing about the rehabilitation of the Halifax shipyard which by next September or October will lose 1,000 jobs? In committee a few days ago the minister told us that as far as he knew no talks had taken place in the last three or four weeks.

These are all areas that require the closest co-operation between the Department of Transport and the Department of Regional Economic Expansion. Unfortunately there do not seem to be any areas of close co-operation between the two departments. Perhaps the minister would look into these matters in the near future.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, an hon. member opposite seems to be trying to prove that his head size and his I.Q. are the same. If he would sit down and be quiet I will try to untangle some of the web of misinformation that has been woven here this afternoon.

● (2150)

I have sat here listening to all of today's debate, trying to see if the opposition had any purpose in presenting this trumpery motion which the House has considered today. The only conclusion I can come to, having listened to all opposition speeches in this debate, is that they had to include five or six different topics in the motion because they are so sterile of policy that they could not spend a full day discussing the one subject of regional economic expansion. They had to include in the motion the subjects of fiscal policy, transportation, energy, trade, economic expansion—the whole bag as it were. Mr. Speaker, I did not hear a single, coherent policy statement enunciated by hon. members opposite.

Some hon. Members: Oh, oh!

Mr. Rodriguez: Tell us about New Brunswick.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, there is another member opposite who is yelling out and becoming a bit of a pain in the neck, although some members may have a lower opinion of him than that. This afternoon we heard the opposition gloating about this country's unemployment rate. But not one of them bothered to mention that in the last ten years there has been an absolutely phenomenal growth in this country's labour force and a phenomenal growth in employment.

Mr. Alkenbrack: And unemployment.

Mr. Dionne (Northumberland-Miramichi): But they do not want to talk about these facts, because if they were to say something positive they would have to expose the fact that they cannot put forward any policy alternatives.

Mr. Rodriguez: Tell us what is happening in your own part of the country.

Mr. Dionne (Northumberland-Miramichi): The hon. member for Winnipeg North (Mr. Orlikow) was highly critical of the government's monetary and fiscal policy, but not once did he put forward an alternative solution. He criticized DREE for being insensitive to the needs of the provinces and regions of this country, but his criticism is absolute proof that he does not know what he is talking about when he talks about DREE. In the province of New Brunswick, for example, there are presently in existence ten subsidiary agreements under GDA dealing with highways, forestry, agricultural development, industrial development, the Kent region pilot project, the King's Landing historical settlement, the Saint John and Moncton arterial highways, tourism, planning, and minerals and fuels. Every one of those is a matter of provincial jurisdiction. The federal government is giving to the province under these agreements a total of $150 million.

The hon. member for Halifax (Mr. Stanfield) complained that the Department of Regional Economic Expansion is not co-operating with provinces in developing a plan for the regions. I suggest that not one provincial government in the Atlantic region would countenance for a minute an area of another province getting special treatment at the expense of another province. My colleague, the hon. member for Madawaska-Victoria (Mr. Corbin), this afternoon referred to the behaviour of certain provinces. I suggest that the actions of New Brunswick illustrated in a classic way the hon. member's contention. The government of that province has been asking the federal government, and specifically the Department of Regional Economic Expansion, to solve all the ills of that province so that the provincial government can wash its hands of them. Indeed a provincial minister was heard to say at a

public meeting, "I wish DREE would get on with the job so that we could look after the problems in the other part of the province." I suggest the hon. member was referring to that situation, when talking about the province of New Brunswick having two capitals—Fredericton for the south of the province, and Ottawa for the north. The people of New Brunswick can no longer tolerate that situation.

The hon. member for Timiskaming (Mr. Peters) in his usual, rambling way, spoke of DREE balkanizing the country. He forgot completely that this country was balkanized economically long before DREE was established. He spoke about the department taking an equity position in DREE assisted companies. Has the hon. member any idea at all of the increase which would be needed in the department's manpower if departmental representatives were to sit on every board of directors of DREE assisted companies and help in the making of the many corporate decisions which must be made? The hon. member's statement was absolutely silly. I am sure also, and I am still dealing with his speech, that the people of New Brunswick will be happy to know that he considers all statements coming from New Brunswick to be stupid. At least that is what he said. But that statement is probably indicative of the poor showing his party traditionally makes in New Brunswick elections.

Hon. members opposite suggested in this House that the minister and the department do not listen to the advice of provincial and regional authorities. I want to lay that spurious charge to rest, too, Mr. Speaker, because the record in New Brunswick is sorry indeed. The consequences have been unfortunate when the department has listened to the incompetent advice of the Tory provincial administration in that province. I refer to Bricklin, Brunswick Mills, Fleming and Gibson, Venus Electric, Cirtex, and a whole host of other companies which could be mentioned, all of them provincially incorporated.

In fact Bricklin was the dream child of our premier and a fly-by-night boy from south of the border. What happened? Mr. Speaker, $21 million of public money went down the tube, down the drain, with nothing to show for it except a couple of cars of a type no longer made, stashed in some political friend's garage across the river from Fredericton. That is the result of advice DREE accepted from the province in good faith. The department was led down the garden path.

Brunswick Mills was set up to saw 100 million board feet of lumber. A so-called expert was brought in from another part of the country to run the mill. But the 100 million board feet of lumber were not there to be sawed.

The case of Fleming and Gibson is another specific example of the department of natural resources in New Brunswick having absolutely no idea of the resources potential of the forests of New Brunswick. A mill was set up, under a company which had formerly managed its affairs well, to saw 37 million board feet of lumber. DREE readily agreed to give that company assistance. Unfortunately, only between 12 million and 15 million board feet of lumber were available to support the mill. What happened? The company is in receivership and DREE, of course, has lost the money.

Members of the Tory party opposite said repeatedly this afternoon that the minister does not listen to provincial authorities. I say to him, he had better not listen to some of them as much as he has in the past, or the department will be ruined with poor advice. It is not the minister's job to go to the forests of New Brunswick or any other province, to determine what resources exist there. That is the responsibility of the province to determine. And what is the province doing which is supposed to take this responsibility?

[*Translation*]

Mr. Deputy Speaker: Order. It being ten o'clock it is my duty to inform the House that, pursuant to Section (11) of Standing Order 58, the proceedings on the motion of the hon. member for Egmont (Mr. MacDonald) have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

URBAN AFFAIRS—GRANVILLE ISLAND, VANCOUVER—FUTURE OF PROPERTY AND PURPOSE OF EXPENDITURE

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, yesterday I asked the Minister of State for Urban Affairs (Mr. Ouellet) a question concerning the expenditures of Central Mortgage and Housing Corporation on the area known as Granville Island in the city of Vancouver. I asked what is the federal government's policy concerning the future of this property and what is the purpose of the proposed expenditure? Those are two clear inquiries in one question. Unfortunately the minister's answer was not clear. He gave, as those who have come to know him have learned to expect, a typical non-answer. He said that this is a demonstration project which has already given excellent results and which involves an important part of Vancouver. He said this project has been under way for a certain number of years and it is now about to be completed.

● (2200)

The words "demonstration project" have been used in the past. They certainly imply to me the use of housing. However, I can assure the House there is no housing involved in the Granville Island project. As to it being an important part of Vancouver, I certainly agree. It is still a major industrial site downtown in the city of Vancouver. Perhaps the minister was referring to the fact it lies in the constituency of his colleague, the Minister of Justice (Mr. Basford). I am not certain about that.

The minister says it has been under way for a certain number of years and it is now about to be completed, but he

does not say with what result or purpose. He in no way indicates why it is necessary to spend a further $25 million on that particular site.

Perhaps I should explain that Granville Island is not really an island. It is a man-made peninsula in False Creek that was built during the thirties. For many years it has been an industrial estate, well located I should say.

During the tenure of the hon. member for Vancouver Centre in the Ministry of State for Urban Affairs between January, 1972, and August, 1974, the property was transferred by the previous government body which owned it to Central Mortgage and Housing Corporation, the corporation for which the Minister of State for Urban Affairs has responsibility. At that time the matter was raised in certain quarters. I raised it here because there is absolutely no housing and no mortgages involved in Granville Island. It was asked why CMHC should be involved in such a property.

Just 11 days ago the Vancouver *Sun* announced that in a surprise move on Friday, which would be April 29, the Granville Island trustees accepted not one but two proposals for new theatre facilities as part of island redevelopment. The Arts Club is going to build two theatres, one of 350 seats and the other of 200 seats. The Theatre Space Project is the other one. It too is going to build a theatre. I quote from the article:

> The federal government is in the process of transforming the former light industrial park to "people" use, and the introduction of some form of theatre space has been a major priority in government planning.

I still have not got anywhere near housing. Some four years ago, in June, 1973, the planning department of the city of Vancouver put out a policy booklet on False Creek dealing with Granville Island which lies in False Creek. I quote from that booklet:

> An urban public area, some open and park space with waterfront walkways. Recreational, commercial and entertainment facilities. A significant portion of current leases will expire in the early 1980's so that large scale redevelopment can be expected at that time.

All that happened when they first transferred that property to CMHC is that they hired a former president of the Liberal association in British Columbia, a gentleman named Russell Brink. They paid him a salary higher than that of members of parliament and called in a project manager. They bought a few leases when they expired and the project manager created a park in the corner of the island. Since then several restaurants and other people and places have come along. Now we are to have theatres. All of this is on this small so-called island which is served by a circuituous two-lane roadway which runs under the Granville Street Bridge. This is hardly a place for automobiles and people.

A $25 million expenditure should not surpise us very much. It is a continuing example of the operations of CMHC under the present president, Mr. Teron. There have been recent criticisms of blatant examples of the corporation insuring loans for a luxury hotel in Ottawa which went bankrupt, and ever increasing loans on buildings such as York Place in Hamilton which is in trouble at the moment because the developers were not able to finish the project.

Years ago when one wanted to fool Central Mortgage and Housing Corporation, buildings were designed and called apartment buildings. Then after Central Mortgage and Housing Corporation financing had been obtained, it was a simple matter to convert them to hotels. It was a good way to finance hotels, and it happened in Vancouver a number of times. But in the case I referred to here in Ottawa, the building was originally planned to be, and was stated directly on the building permit filed with the city of Ottawa to be, an hotel.

I realize I am digressing a little, Mr. Speaker, but I do so to illustrate the irresponsible attitude which is being demonstrated by Central Mortgage and Housing Corporation. We need better answers than that.

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, it is amazing how a member can confuse hotels, hostels, and Granville Island; it really surprises me.

The Granville Island project was initiated in 1973. At that time up to $25 million was authorized for the acquisition of land and the buying up of existing industrial leases for this long term redevelopment project. Granville Island has an area of 42 acres—it is quite a substantial site—and is located in Vancouver's False Creek, adjacent to the city centre of Vancouver.

The government's intentions with respect to the Granville Island property are to plan this site as an inner core redevelopment, related to the over-all plans and priorities of the city of Vancouver. The Ministry of State for Urban Affairs is generally concerned with improving the quality and efficiency of the urban condition. The department works closely with federal government departments and agencies as well as other levels of government which have programs and capabilities available in support of over-all urban objectives.

CMHC was appointed as agent for the assembling and management of the Granville Island site. Roughly $14 million of the $25 million authorized has been committed to the project to date to cover land assembly and site improvement. The specific end use of the island will determined when optimum alternatives, bearing in mind the development of adjacent areas of the city, have been identified.

Mr. Clarke: You mean, you don't know?

Mr. Gauthier (Ottawa-Vanier): No, we don't know. It is a people place; you said that yourself. The eventual use of the site will relate to public needs and the development potential of the waterfront area.

In conclusion, Mr. Speaker, Granville Island may be cited as a demonstration project, and it is, but we hope that with the people of Vancouver we will be able to plan that area so that their local needs and wishes are met.

ENERGY—MACKENZIE VALLEY PIPELINE—POSSIBILITY OF REQUEST BY ARCTIC GAS FOR GOVERNMENT GUARANTEE TO RAISE CAPITAL

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, this matter arises from a question I asked in the House on May 6 concerning the Mackenzie Valley pipeline. It was prompted by evidence which was given before the National Energy Board by the Canadian Arctic Gas consortium. This consortium had indicated, not once but several times, that it would be seeking government guarantees in order to raise the capital which would be required to build a Mackenzie Valley pipeline. My question was a long one, and without going into it further what I asked basically was whether the government had been approached, at least initially, to provide some form of guarantee, and I asked whether negotiations were under way and, if so, what was their state.

The answer that I received from the Minister of Energy, Mines and Resources (Mr. Gillespie) was that he did not know but he said "I will be pleased to find out". One of the reasons for putting this matter on the late show was to follow up that question in view of that remarkably co-operative answer given me by the minister. I am hoping tonight I can be enlightened not only in terms of whether negotiations are taking place with the Arctic Gas consortium with respect to guarantees—that is particularly significant in view of the Berger report that was just tabled—but also to find out what is really the nature of those guarantees.

Perhaps I can assist the hon. parliamentary secretary in a couple of ways, and perhaps he can correct me if I am wrong. The nature of these guarantees is really two-sided. The first guarantee they are seeking is an insurance scheme to cover interruption of service. Shippers would be subject to an all-events tariff and hence liable to pay Arctic Gas Pipelines despite non-delivery. The second form of guarantee is equally serious. It is a guarantee of backstop financing from the government. This is a guarantee where, if there are overruns, the government will back up major overruns on the project.

● (2210)

We have had some experience. We have seen what happened on the Alyeska line, and we have seen what happened on a myriad of other projects in Canada, such as the kind of overrunning we witnessed of James Bay. Alyeska started off with a $900 million projection. I think they are now at $9 billion in terms of costs. The risks in the Mackenzie Valley, in terms of overrun, are quite fantastic.

What is significant about the guarantees sought is that the people who know something about money, both in New York and in Toronto, have insisted that this government back up this private consortium because they cannot get the money from the private sector. That should tell the members of this House just how valid that Mackenzie Valley proposal is, because the private sector itself will not back it without government guarantees. That, even without the Berger report, should be a satisfactory reason to turn down this most unwise proposal in terms of bringing Arctic gas to the United States market.

In terms of the project itself, I should point out that I am not going to deal with the sensitive questions concerning native rights and the environment. That will be dealt with, no doubt, in this House in much more detail. On the narrow issue, the question of government guarantees, where this government is asked to guarantee a pipeline in terms of interruption of service, there is a clear conflict of interest between the Department of the environment and the Department of Finance. There will be a tremendous impetus on the part of the government to see there is no interruption of service. Therefore the protection of the environment, once the pipe is in, would be a great risk because of the guarantee proposal itself.

If you are talking about backstop guarantees, let us say the Mackenzie Valley goes to $15 billion or $20 billion by the time they are finished, and certainly in terms of Arctic construction we have a number of precedents to know these figures are very serious and can get away out of hand. The type of winter construction that is necessary is very high risk in terms of trying to put a figure on the construction cost. To ask the Canadian people to back up approximately $8 billion in guarantees for that pipeline would be one of the great sellouts in Canadian history. Even the private market will not touch it with a ten-foot pole unless the government steps in and guarantees it. That is sufficient reason alone, without the Berger report, to say no to the Mackenzie Valley pipeline.

That is why I ask the parliamentary secretary, if there have been approaches, what kinds of approaches they have been; is my information accurate in terms of the kinds of guarantee Arctic Gas is seeking; and last, but not least, I am pleased to know the minister said he did not know but would be pleased to find out. That is why I raised this matters tonight. I am waiting, with an open mind on the subject, to find out just exactly what has happened on the guarantees.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I know only too well how open is the mind of the hon. member.

Mr. Leggatt: That was a facetious remark.

Mr. Kaplan: In that spirit, I am very glad to indicate to him that I do have a very full and complete answer on the question which he raised.

An hon. Member: That is unusual.

Mr. Kaplan: "That is unusual", as the hon. member said.

Canadian Arctic Gas Pipeline Ltd. now estimates the total capital cost of their project at over $9 billion. The equity investment is expected by CAGPL to total about $2.5 billion, with the bulk of remaining investment supplied by bonded debt and bank term loans. As in most projects of this nature, the financng arrangements have to be committed before construction can proceed.

CAGPL has said that lenders would be reluctant to commit themselves unless they could be assured with reasonable certainty that the project would, in fact, be completed and that its operation would not be susceptible to frequent or prolonged interruption. In their submissions to the National Energy Board CAGPL has made clear that their financing plans include a 25 per cent contingency allowance, to provide for cost overruns or cash shorfalls from operations. Even so, CAGPL maintains that potential lenders—mutual funds, trust companies and institutions—might not be prepared to bear the full risks of proceeding, and it is in this connection that the possibility of government completion guarantees have been raised.

CAGPL has raised the matter informally with several government departments. No application or request for government assistance as to either form of guarantee to which the minister referred has been made and there has been no commitment from the federal government. Certainly, it would be premature to consider guarantees until the NEB and Berger reports had been considered, the make-up of the successful consortium was known, and the implications of financial involvement had been studied in detail. Assistance could only be considered in the last resort if a pipeline were deemed to be of vital national interest and demonstrably incapable of a private financing.

EXTERNAL AFFAIRS—CONFERENCE ON INTERNATIONAL ECONOMIC CO-OPERATION—REQUEST FOR PROGRESS REPORT

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, some time ago I asked the Prime Minister (Mr. Trudeau) if he would keep the House better informed about the progress which is being made at the North-South Conference, particularly on the issues of commodity price stabilization and special drawing rights, the core issues in the building of peace, the very issues he himself introduced in his speech in Washington.

I made that request of the Prime Minister because of the very strong statement made by Robert McNamara, President of the World Bank, to the effect that the North-South Conference, otherwise known as the Continuing Conference on International Economic Co-operation, was in danger of foundering because the industrialized nations had not yet come to grips with the real issues. I am making my appeal tonight for a better flow of information to the Canadian people as a means of sustaining the policies which have been arrived at now, in the latest development, at the London summit conference which took place over the week end.

What we are talking about here is not just a question of aid to the developing nations. We have long since given up that band-aid approach. We are talking about substantive issues which are at the heart of the reasons underlying world poverty. We are talking particularly about institutional changes which would bring about, for example, a commodity fund for the 18 principal commodities produced by the developing world, as well as the establishment of some mechanism to repair the tremendous damage which is being done to developing nations in consequence of their debt position. The debt of the developing nations now totals $165 billion. The crisis of debt together with the need for a commodity fund is at the heart of the North-South Conference to which the Prime Minister referred in his Washington speech.

Now the London summit meeting has taken place I suggest to the House that, despite the little attention which has been given to it by representatives of the government here, both in the House and in the media, a break-through has been made over the week end which brings a new ray of hope for the North-South Conference which will be concluding its present round of business at the end of this month in Paris. I make this statement because, going through the communiqué which was issued by the seven leaders of the industrialized countries, I see such statements as these—I will quote a couple of them from the communiqué. They read as follows:

● (2220)

> We are agreed to do all in our power to achieve a successful conclusion of the CIEC (Conference on International Economic Co-operation) and we commit ourselves to a continued constructive dialogue with developing countries.
>
> We aim to increase the flow of aid and other real resources to those countries. we invite the Comcon countries to do the same . . . the message of the Downing Street summit is thus one of confidence: in the continuing strength of our societies and the proven democratic principles that give them vitality; that we are undertaking the measures needed to overcome problems and achieve a more prosperous future.

Not only have they given us just rhetoric, but there is a commitment to continuing the movement toward a common fund.

There are those who are interpreting the communiqué as a significant step forward in establishing linkages between the prices of commodities that are exported to the developing world and what has to be imported in the way of manufactured goods from the west. I will quote again one or two sentences that lend some hope to this positive interpretation of the communiqué when they say:

> We will provide strong political leadership to expand opportunities for trade to strengthen the open international trading system, which will increase job opportunities.
>
> We reject protectionism—it would foster unemployment, increase inflation and undermine the welfare of our peoples.

That is what took place over the week end, and I suggest that the influence of President Carter has been very notable in the changed attitude of the Americans who are the swing country in the industrialized world in all the negotiations that take place in international forums today.

We have to ask ourselves this question: are we only talking about rhetoric, or are there some substantial gains being made, because we have to keep in mind the admonition from that

economic sage, John Kenneth Galbraith. I do not know if all my colleagues would agree with everything he has written, but I think that one or two of his choice comments are particularly relevant, particularly the one which says international conferences are meant to give an appearance of progress even if no action actually takes place.

The problem now is the situation between the rich and poor countries of the world, as demonstrated to us must convincingly in the statement made to the subcommittee on international development here in parliament by the Secretary General of the Commonwealth in a most eloquent testimony which I commend to members of the House. That situation is now critical. It calls for action, not just rhetoric. That is why I return to the question tonight which I posed to the Prime Minister's representative here. Is he going to make some specific comments tonight on what Canada is going to do as distinct from what we say and giving lip service to this type of communique that raises hopes all over the world?

I want to know if Canada's aid will go forward or will it go back, because we have been going back in our percentage which has dropped from .58 per cent of GNP to .51 per cent this year, and Mr. Dupuis, the head of CIDA, said he will not rule out the possibility that it might even go below .5 per cent because they cannot even estimate with precision what our aid picture is today. Are we going to go ahead in open trade or are we going to build more protectionism into our society?

The textile policy announced in the House last December was a retogressive step. If we are not going to have industrial adjustment programs that will help to solve the world's unemployment situation as we go into more high technology production for the goods that the world needs, I think this is really a step backward on the part of Canada and something that gives the lie to the Prime Minister's noble rhetoric.

On the question of unemployment, here we are talking about solving international unemployment. We are faced with the highest unemployment we have ever had in this country. Without a massive effort to show the world that we can cure unemployment in our own society, it hardly gives us credence to go into international conferences and say we will take steps to solve the world's unemployment situation.

On the question of the commodity fund, I want to know how much Canada will put into it. Will we actually press for the establishment of a mechanism to renegotiate the present debt and avoid a new debt, or are we just going to give lip service to communiques that raise hopes falsely? Those are the questions I put to the Prime Minister, and I ask for some specific answers tonight.

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, as I did not know exactly the topics which would be developed by the hon. member, I cannot answer all the questions he raised.

However, Canada continues to work to bring about a successful conclusion to the Conference on International Economic Co-operation. Hon. members will be aware that the North-South dialogue was an important element at the Downing Street summit this past week end. The Prime Minister of Canada (Mr. Trudeau) was especially concerned that the leaders of the seven industrialized nations present should give full recognition to the needs of the developing countries. The communique of the meeting will show that this concern was shared by all. The communique took note of progress which has been made, and the leaders made some specific pledges for action.

The Secretary of State for External Affairs (Mr. Jamieson) and other ministers have been deeply involved in these issues and have made substantial contributions to the formation of Canadian policy. Action now appears likely at the CIEC in the key area of energy, commodity arrangements, including a possible common fund, and on a range of financial issues, including debt and levels of development assistance.

In all of this the role of the government House leader (Mr. MacEachen) in his capacity as co-chairman of the conference has been crucial to the continuing dialogue. Together with the other co-chairman, Dr. Manuel Perez-Guerrero, the Venezuelan Minister of State for International Economic Affairs, he has ensured the continuation of the conference, which at one time seemed very likely to fail. After considerable negotiation both developed and developing countries now appear ready to proceed to the final ministerial level meeting in Paris at the end of this month. The deputy co-chairman of the President of the Privy Council, the president of CIDA, is in Paris tonight for a review of the situation with conference participants following on the summit meeting last week end and following final preparatory meetings which have been under way in Paris.

The major concern of Canada is the desire to see a substantial contribution made to the economic development of developing countries. The government has been encouraged by progress in the North-South dialogue within and outside CIEC in recent months, and Canada will continue to play its part in contributing to concerted action by industrialized countries to improve the economic well being of developing countries.

Mr. Speaker, is my time up?

Mr. Deputy Speaker: Yes.

Mr. Leblanc (Laurier): I have other matters to discuss.

Mr. Roche: We want action.

Mr. Dinsdale: Words are not enough.

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

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

HOUSE OF COMMONS

Wednesday, May 11, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

INFORMATION

REQUEST FOR LEGISLATION PROVIDING FOR FREEDOM OF ACCESS TO INFORMATION—MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a motion under Standing Order 43 on a matter of pressing and urgent necessity. One year having gone by since the government clearly stated that it was drafting freedom of information legislation to which it was giving priority, and dozens of organizations, such as CUPE, the Canadian Bar Association, the Civil Liberties Association, Canadian teachers, Canadian consumers, and many others in their hundreds of thousands, having indicated their support for immediate action, I move:

That this House urges the government to ignore the self-serving views of the small group of highly placed government people who fear open government, and requests that the government bring in a bill, or instruct a parliamentary committee to do so, and also provide for a free vote in connection with the bill.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House for the presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

STATEMENTS BY MINISTERS ON BERGER REPORT—GOVERNMENT POLICY—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise under the same provisions of Standing Order 43. In view of the statement today, as appears in the Alaska press, made by the Minister of Energy, Mines and Resources (Mr. Gillespie) that "no one invited Mr. Berger to recommend against a pipeline", and in view of the statements yesterday by the Minister without Portfolio from Crowfoot (Mr. Horner) in outright opposition to the Berger recommendations, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House request the Prime Minister or the government House leader to make a statement on motions today stating whether these public remarks form part of government policy and, if they do not, that this House request this government to clearly dissociate itself from such irresponsibility.

Mr. Speaker: Standing Order 43 requires unanimous consent of the House for the presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRANSPORT

PROPOSED PAYMENT OF TRAVELLING COSTS OF CALPA AND CATCA EXECUTIVES—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of the attitude exhibited by the Department of Transport in invoicing CALPA and CATCA for transportation costs connected with bringing the executives of these organizations to Ottawa, at the request of Ministry of Transport officials, to resolve the crisis which crippled Canada's airline industry last June, in view of the circumstances whereby the ministry gave the impression that they could accept all financial responsibilities at that time for the transportation of these executives, who in fact played a constructive part in resolving the crisis, and in view of the lavish use of government aircraft by ministers of the Crown at the expense of the public for far less constructive purposes, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That the Ministry of Transport rescind or cancel these invoices and arrange payment from departmental funds for this very necessary and co-operative course of action by the executives of CALPA and CATCA in coming to Ottawa.

Mr. Speaker: Order. Standing Order 43 requires the unanimous consent of the House for the presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

CANADIAN BROADCASTING CORPORATION

SUGGESTION CORPORATION BROADCAST WORLD HOCKEY ASSOCIATION FINAL GAMES—MOTION UNDER S.O. 43

Mr. Jake Epp (Provencher): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the fact that tonight marks the first time in ten years that two Canadian teams will be involved in a professional hockey final and in view of the fact that the mandate of the CBC is to broadcast events of importance to Canadians, thus promoting Canadian unity, I move, seconded by the hon. member for Churchill (Mr. Smith):

That this House request the Secretary of State to instruct the CBC to televise the final series between the Winnipeg Jets and Quebec Nordiques.

Mr. Speaker: The presentation of such a motion pursuant to Standing Order 43 can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDUSTRY

ORDERS FOR HAWKER SIDDELEY SHIPYARD TO AVOID LAY-OFFS—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion on a matter of urgent and national importance. In view of the serious shortage of work orders for the Hawker Siddeley Halifax shipyards and the consequent threat of the loss of about 1,000 jobs by late summer or early fall, jobs embracing the bulk of shipbuilding and repair skills which form the backbone of an essential port requirement, I move, seconded by the hon. member for Halifax-East Hants (Mr. McCleave):

That this government be instructed to take whatever new initiatives are open to it to reopen talks with the company with the purpose of exploring potential federal government ship requirements that could be advanced to fill the work gap and at the same time to further explore the possibilities of a program of rehabilitation of the yard and the construction of a new floating dry dock for the east coast of Canada.

Mr. Speaker: The presentation of such a motion pursuant to Standing Order 43 can only be done with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

CONFEDERATION

ALLEGED FAILURE OF LIBERAL PARTY TO ADOPT POLICIES TO UNIFY THE COUNTRY—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise on a motion of urgent and pressing necessity under the provisions of Standing Order 43. My motion is promoted by the extremely significant statement made by the hon. member for Winnipeg South (Mr. Richardson). I therefore move, seconded, in the absence of the hon. member for Winnipeg South, by the hon. member for Churchill (Mr. Smith):

That this House concurs with the view of the hon. member for Winnipeg South that the Liberal party and the Prime Minister have not been able to unify Canada, and further condemns the Prime Minister who ran on a ticket of national unity in 1968 in light of the fact that the country is more divided now than it was before.

Some hon. Members: No.

Mr. Speaker: Order, please. Needless to say, I have some grave reservations about the urgency of the question.

Some hon. Members: No.

An hon. Member: You leave my countrymen alone.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

NORTHERN PIPELINE—POSSIBILITY OF FURTHER STUDY OF ALCAN ROUTE AND DEMPSTER HIGHWAY ROUTE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. It concerns the rush jobs that the department is doing on the investigation into the Alcan pipeline route. Inasmuch as the Alcan proposal was brought forward by the Alberta Gas Trunk Line on August 31, 1976, there seems little reason for an inquiry into the merits of the route to be beginning only this week. In view of the statement made yesterday by the Minister of Energy, Mines and Resources that the inquiry is to be only a preliminary study, would the minister tell the House exactly how he will manage to stage a follow-up study to the Lysyk commission after it reports in August and before the Prime Minister's September 1 decision deadline?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, to begin with, the final,

complete application for the Alcan route was only received in November, although there was a preliminary application in the early fall. So we were not able to set up something together much sooner. As soon as the application came in, we immediately undertook negotiations with the Yukon government and the Yukon Indians with regard to the type of inquiry which might take place. It is true that the inquiry is limited to a three month period, but it does not have to do all of the things the Berger inquiry had to do. It does not have to deal with the environment or with the conditions which will apply if that route is taken. There are only six communities along that route compared with about 35 along the Mackenzie. Finally, much of the work Mr. Justice Berger has done can be used by the Lysyk panel. So we feel that in that period of time they can deal with economic and social impacts.

The hon. member asked what will happen if the government's decision is to go for the Alcan route. There would have to be more work done by one group or another to determine the conditions which would apply for that route. Mr. Justice Berger dealt with both, and his report on conditions will come out in July.

Mr. Baker (Grenville-Carleton): Mr. Speaker, it appears that if the Alcan route is ultimately selected, the preferred route for Canadian delta gas will be along the Dempster highway to connect with the Alcan express pipeline to the south. In view of the fact that a social environmental impact study of this route is absolutely essential if an informed decision is to be made, will the minister indicate whether he will now set such an inquiry into gear?

Mr. Allmand: Mr. Speaker, if in due course a link is proposed or we decide on a link from the Mackenzie Delta to the Alcan pipeline, the proposed pipeline down the Dempster Highway, I suppose we would have to have some kind of inquiry or investigation into the social and economic impacts, but that inquiry does not seem to be necessary now. We do not have to do that right now.

NORTHERN PIPELINE—STATEMENT ON BERGER REPORT BY MINISTER WITHOUT PORTFOLIO

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, by way of observation on the last two answers—

Some hon. Members: Order.

Mr. Baker (Grenville-Carleton): —it seems that we are running into the danger of making a decision before some adequate inquiries have been made, and part of the responsibility for the delay can be laid at the feet of the government.

My supplementary question is to the Acting Prime Minister. It concerns the principle of cabinet solidarity, which is fundamental to our system. With regard to the remarks last night of the Minister without Portfolio that he is, and I quote, "not in any way in agreement with Berger" and that he has "no time for Berger's argument that the northern pipeline threatens wildlife", will the Acting Prime Minister tell the House whether those remarks represent government policy or whether he intends to put a stopper in the mouth of the hon. gentleman to put an end to his bad habit of leading with his mouth from time to time?

Some hon. Members: Oh, oh!

An hon. Member: He's all yours now.

MACKENZIE VALLEY PIPELINE—REQUEST FOR TABLING OF FENCO REPORT ON COST OVERRUNS

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Acting Prime Minister, and it concerns the Fenco study into cost overruns which the Minister of Energy, Mines and Resources last February undertook to table in the House. This report has not been tabled, despite the fact that the minister has had it in his possession for nearly a month. Will the Acting Prime Minister now undertake to release this report, and in addition, will he tell this House whether this study or any other study undertaken by the Department of Energy, Mines and Resources has examined the vulnerability of the Alcan project to cost overruns?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I will check into the possibility of discharging the minister's commitment, as stated by the hon. member, to make this report available. I have to check into it. I think the second question, on the face of it, would require a negative answer, but I will check on that, too.

● (1420)

Mr. Neil: A supplementary question, Mr. Speaker. When an examination of the economics of the Alcan route is undertaken it should be remembered that the Dempster highway route is part and parcel of the Alcan route. Will the Acting Prime Minister give an undertaking that the study will include the Dempster highway route and the possibility of cost overruns on it?

Mr. MacEachen: Mr. Speaker, these are in the nature of representations that will be studied.

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT—REQUEST FOR CONSIDERATION OF SPECIAL SUMMER WORKS PROJECTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should like to put a question to the Acting Prime Minister. In the House yesterday he said that the programs the government has under way to deal with unemployment, including the allocation of funds for Canada Works and Young Canada Works, are based on anticipated high levels of unemployment. Considering that the most recent figure has established unemployment at 8.3 per cent—the highest level of unemployment since records have been kept—and considering that unemployment is higher today than the government's unofficial estimate

said it would be, will the minister reconsider the answer he gave yesterday? Can he tell the House, for instance, that the government will consider bringing in a special summer works project that will deal with this extremely high level of unemployment in a serious manner?

Hon. Allan J. MacEachen (Acting Prime Minister): No, Mr. Speaker, I cannot give that undertaking.

UNEMPLOYMENT—POSSIBILITY OF NATIONAL PROGRAM OF RESIDENTIAL INSULATION TO CREATE JOBS

Mr. Edward Broadbent (Oshawa-Whitby): A supplementary question, Mr. Speaker. Considering that the cost of current levels of unemployment to employed Canadians is about $9 billion per year, some $2 billion being for welfare and unemployment insurance payments, $6 billion for lost productivity, the rest being made up of taxes not paid by the unemployed, would the minister consider financing a national program of insulation for residential buildings across the country which has been estimated to cost about $1 billion? That $1 billion would provide at least 4,000 additional jobs and be important in conserving energy.

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, there is no doubt that the hon. member's proposal has merit. The Minister of Energy, Mines and Resources has already implemented such a program in two provinces and obviously is concerned about its application in all of Canada. The hon. member mentioned that the cost of such program would be $1 billion per year. At the present time it is not possible to find resources to add to the present budget to finance such a special program, although undoubtedly the suggestion has all the benefits the hon. member says it has.

Mr. Broadbent: A final supplementary question, Mr. Speaker. When we first proposed such an insulation program last September we did not anticipate that even the government would take it up in such a half-hearted way as to apply it to two provinces. We estimated at that time that the savings in energy costs alone to the Canadian economy in the years ahead would justify the capital expenditure. Considering the savings in energy, which are so important to the Canadian economy as a whole, and considering the need to provide jobs early in the summer months particularly for young Canadians, will the minister not make a commitment to go ahead with this eminently sensible program?

Mr. MacEachen: I think it is eminently sensible but not financially possible at the present time, Mr. Speaker.

[Mr. Broadbent.]

[*Translation*]

FINANCE

PROPOSITIONS CONCERNING TAXING OF LIFE INSURANCE BENEFITS

Mr. Eudore Allard (Rimouski): Mr. Speaker, as the Minister of Finance is not in the House, may I direct my question to the acting minister?

Considering the strong protest from members of life underwriters organizations against the new budget proposals of March 31 last concerning the taxation on life insurance proceeds, and in view of the fact that these new proposals will result mainly in penalizing the families of policyholders, could the minister tell the House whether he intends to reply to the statements made by the members of life underwriters organizations and if so, when and how?

[*English*]

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, as the hon. member may be aware, we have given first reading—or are about to—to all the budgetary proposals that have been put forward by the Minister of Finance. They will be before the House in the present session, and before the committee of the whole, and it will be possible for the hon. member to make direct representations and receive direct explanations on this point at that time from the Minister of Finance.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

INQUIRY IF MR. JUSTICE BERGER HAS RESUMED DUTIES AS JUDGE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question—

[*English*]

Some hon. Members: Hear, hear!

Mr. Wagner: Mr. Speaker, my question is for the Minister of Justice. Could the minister inform the House if, according to his terms of reference, Mr. Justice Berger has now completed his task with the tabling of his report and if he has now resumed his duties as a supreme court judge of British Columbia?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I understand Mr. Justice Berger intends to issue another report as a second volume. He has not resumed his duties at present as a member of the Supreme Court of British Columbia, but I know that he and his Chief Justice have discussed privately the date on which this is to occur.

POSSIBILITY OF MR. JUSTICE BERGER EMBARKING ON DEFENCE OF HIS REPORT

Mr. Claude Wagner (Saint-Hyacinthe): A supplementary question, Mr. Speaker. Has Mr. Justice Berger informed the minister of his intention to embark on a promotional campaign and of his desire, as reported, to accept invitations from the media and interest groups in order to defend his viewpoint which, clearly, now has political connotations and which obviously will now have to be resolved not by the itinerant judiciary but by the executive and legislative branch of government?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, only to the extent that there has been comment on that in the newspapers.

* * *

ENERGY

NORTHERN PIPELINE—ASSURANCE OF ADEQUATE SCIENTIFIC KNOWLEDGE TO ASSESS ENVIRONMENTAL IMPACT

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In view of Mr. Justice Berger's statement regarding gaps in environmental knowledge, specifically "that present scientific knowledge is inadequate to serve the needs of government in assessing the impact of proposed oil and gas developments in the north . . ." I ask, is our present scientific knowledge inadequate to serve the needs of government in assessing the impact of proposed oil and gas developments in the north, and, if so, will the minister assure the House that approval to proceed with the pipeline will not be granted until adequate scientific knowledge is made available both to the government and parliament?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, Mr. Justice Berger examined much scientific and technical evidence with respect to the environment. I cannot prejudge the National Energy Board report; it may consider some of those questions as well. We hope to get such evidence from all sides before we make a decision.

NORTHERN PIPELINE—IDENTIFICATION OF SOCIAL AND ENVIRONMENTALLY SENSITIVE AREAS

Mr. Bob Wenman (Fraser Valley West): A supplementary question, Mr. Speaker. Does the minister support in principle the maintenance and enhancement of the natural environment through such means as intensifying ecological research, establishing national parks, ensuring wildlife conservation and, in relation to pipeline corridors, identifying geographic areas of specific environmental and social concern or sensitivity, areas in which will be imposed restrictions concerning route or pipeline activities and, possibly, areas excluded from pipeline construction? Have such areas of specific environmental and social concern or sensitivity been identified in the Yukon? If so, is the government now willing to exclude from pipeline construction such areas of the Yukon as were identified by Mr. Justice Berger?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, I shall have to read that question before giving a proper answer. The hon. member lost me with all his questions and subquestions.

* * *

INFORMATION

DATE OF ACTION TO ENSURE FREEDOM OF ACCESS TO INFORMATION—REASON FOR SECRET MEETING WITH GROUP CALLED "ACCESS"

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Secretary of State who I understand is now charged with responsibility for bringing in freedom of information proposals, if any are to be brought in at all. In view of the facts set out in my Standing Order 43 motion, which was so rudely and loudly rejected by hon. members opposite, and having in mind that in January, 1968, the then justice minister Trudeau quoted with approval, in the Canadian Charter of Human Rights, three United Nations and international charters which accepted freedom of information, when is the government going to minimize the public suspicions created by stonewalling such cases as CANDU and Polymer, and take immediate action to guarantee open government?

● (1430)

Hon. John Roberts (Secretary of State): Mr. Speaker, as the hon. member knows, in the Speech from the Throne the government indicated that it would be presenting to the committee a policy paper on this subject. I am pleased to tell him that the paper is ready. It has been translated and is in the process of being printed. It will therefore, be available very shortly.

Mr. Baldwin: In order to establish his credibility as a supporter of open information, which I believe the minister to be, will he now agree to receive this afternoon the delegation from Access in connection with this proposal at an open meeting? If not, can he indicate why such a meeting should he held in secret behind closed doors.

Mr. Roberts: Yes, Mr. Speaker, I am very pleased to tell the hon. member that I am having a meeting with this group this afternoon, of which he is honorary patron.

Some hon. Members: Oh, oh!

Mr. Roberts: I am glad to know that he shares the passion that I have for open government and the conviction that it is essential that the process of government be opened up much more than at present and information be made more readily available. The reason the meeting this afternoon is not open is, as I indicated earlier, that the report is ready to be presented. I felt it was my obligation to speak to members of parliament first about the report rather than to present it publicly to a

body outside parliament. My understanding of the courtesies of parliament is that that is the appropriate approach. I am sure that if I had turned the meeting this afternoon into a press conference about the report, I would have received complaints that I had not presented the report to members of parliament previous to that. That is the explanation. However, the Access group will, as I am sure the honorary patron knows, be having a press conference of their own to explain the recommendations that are being made.

* * *

PUBLIC WORKS

ROLE OF DEPARTMENTAL STAFF IN VIEW OF GREATER USE OF PRIVATE CONSULTANTS

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, my question is directed to the Minister of Public Works. In view of the fact that there is evidence that the Department of Public Works is now adopting a policy of "privatization" where more of the department's work is going to be farmed out to outside consultants in the private sector, can the minister tell us what he plans to do with the large expert staff built up by the Department of Public Works over the years to do this work within the department?

Hon. Judd Buchanan (Minister of Public Works): Mr. Speaker, this is an area at which we are taking a look. In many areas the capacity does not exist within the department. There are some questions relating to the paving of the Alaska Highway, whether in fact we should use the staff within the department or use the private sector. I feel strongly that we should make use of the private sector. There are many cases where the expertise does exist. It is a question of whether one does it or goes to the private sector.

Mr. McKinley: I am sure the minister knows that a lot of expertise does exist within the department. How can he justify a policy of hiring many more outside consultants instead of using expertise within the department in a period of supposed government restraint? Would it not mean that there would be a lot fewer projects completed with the same financial outlay as a result of this policy he is intending to follow?

Mr. Buchanan: Mr. Speaker, the answer to the latter part of the question is no. Like any other department of government or any other employer, we have a certain turnover of staff. It is a question of deciding as this turnover occurs whether the individual who has departed should be replaced or whether we should look at consolidation and make use of the private sector. My inclination is that we should do the latter.

[Mr. Roberts.]

ADMINISTRATION OF JUSTICE

INDEPENDENCE OF JUDICIARY—LAYING OF PREFERRED INDICTMENT WHILE CASE PENDING BEFORE JUDGE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to ask the Minister of Justice a question. The other day he spoke in glowing terms about the independence of the judiciary. My question arises from a preferred indictment which his department laid against the relative of a senior pressman in this city. A preliminary hearing was held in reference to a charge of possession for the purpose of trafficking in marijuana. The charge was dismissed at the preliminary hearing stage. The matter was taken before a judge. The minister laid a preferred indictment while the matter was pending before the court. Is that the kind of independence of judiciary the minister endorses?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the matter, as was clearly indicated by the hon. member for Calgary North, is now before the courts. Therefore, Mr. Speaker, you will appreciate that I have great difficulty in making any comment on it. I can only say that in the interests of the administration of justice I felt it necessary to exercise my right under the Criminal Code to prefer a direct indictment on the basis of sworn evidence placed before me.

Mr. Woolliams: Apart from the case I have mentioned, when a charge has been laid before the courts and dismissed at the preliminary hearing stage, and the matter is then taken before a judge, is it the general policy of the Minister of Justice that while the matter is pending before a judge on which he has to make a determination to prefer an indictment on his own and run rough-shod over the courts of Canada?

Mr. Basford: Mr. Speaker, without in any way accepting the premise of the hon. member's question or in any way being taken to comment on the specific case to which he has referred, that is obviously not the general policy of my department.

* * *

ENERGY

MACKENZIE VALLEY PIPELINE—REQUEST FOR DELAY OF DECISION UNTIL NATIONAL ENERGY BOARD HAS REPORTED

Mr. Alan Martin (Scarborough West): Mr. Speaker, my question was for the Minister of Energy, Mines and Resources. In his absence, I will direct it to the Acting Prime Minister. In view of the obvious and serious concerns facing this country over the next 15 to 20 years relating to our overall energy supply, and in view of the rather irresponsible and extremely premature action on the part of the Leader of the Opposition and the leader of the New Democratic Party in firmly rejecting the Canadian Arctic Gas pipeline proposal at this early stage, will the Acting Prime Minister assure the House that the government will take a much more responsible stance, one which is obviously more in the national interest of Canadians,

and await the further major reports to be issued in the near future by the National Energy Board, one dealing with an update on the demand and supply side of our oil energy reserves and the other dealing in detail with the northern pipeline proposals currently before it, as well as the benefit of parliamentary debate before making its final judgment on this most important matter?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, quite apart from any comment on the position taken by any other party, I want to make it clear on behalf of the government that no decisions have been made with respect, (a) to a pipeline and, (b) to the route of any such possible pipeline; that we regard the delivery of the Berger report as a very important element, providing very valuable information in the total context about a decision. However, it is certainly the intention of the government to await the report of the National Energy Board and other relevant reports before a decision is taken on this question. That is the general position.

* * *

NORTHERN AFFAIRS

DRILLING IN BEAUFORT SEA—DATE OF DECISION ON RENEWAL OF PERMIT OF DOME PETROLEUM

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. One of the world's great experts on oil blowouts, Mr. Red Adair, said yesterday that a blowout in the Arctic is inevitable as long as drilling is done there; pray to God it does not happen but there will be an accident as long as men drill for oil. Eventually someone will make a mistake. In view of the clear indication from Red Adair and the evidence before the Standing Committee on Fisheries and the Environment by the Assistant Deputy Minister of the Environment opposing drilling in the Arctic, and in view of the overwhelming evidence in the Berger report of risk to the ecology, will the minister advise what date cabinet is going to come down with a decision on the renewal of the Dome Petroleum drilling permits and also advise whether it is his view that drilling should continue in the present circumstance?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will give my advice to the cabinet committee. No date has been set for a decision on this matter. It is still a completely open question. Perhaps I will get in touch with Mr. Adair and talk to him about it.

● (1440)

DRILLING IN BEAUFORT SEA—PROTESTS FROM UNITED STATES

Mr. Stuart Leggatt (New Westminster): A supplementary on the same subject. Yesterday, the Minister of the Environment told the House that representations had been received from the United States regarding the risk to U.S. waters as a result of Beaufort Sea drilling but he was not able to be specific. Could the hon. gentleman be more specific today and tell us whether the United States has made any protest, and, further, whether any agreement has been discussed under which the United States would be compensated in the event of an oil spill damaging to its interests?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): I know that representations have been made and discussions held. But that took place with the Department of External Affairs, not with my department, although the views expressed were communicated to us. In the arrangements for drilling last summer, provision was made to compensate all the parties, including the United States, in the event of a blow-out. Whether there have been further representations with regard to that aspect, I am not certain.

* * *

LABOUR CONDITIONS

LACK OF WAGE PARITY BETWEEN HALIFAX AND SAINT JOHN LONGSHOREMEN—GOVERNMENT ACTION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, may I direct my question to the Minister of Labour in the absence of the Minister of Finance? It arises from the historical relationship involving parity of wages between Halifax and Saint John longshoremen. Since wages at the two ports are now somewhat apart due to technicalities enforced by the Anti-Inflation Board arising mainly from the difference in the yearly starting dates of the contracts, would the hon. gentleman use his good offices to carry out the warm statement of the Minister of Finance when replying to me with regard to this matter at the dawn of the Anti-Inflation Program?

Hon. John C. Munro (Minister of Labour): I shall certainly look into the matter, Mr. Speaker.

* * *

CANADIAN NATIONAL RAILWAYS

STATUS OF EMPLOYEES' PASSES AFTER IMPLEMENTATION OF VIA RAIL SYSTEM

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a brief question for the Minister of Transport. In order to alleviate certain anxieties expressed by many employees and pensioners of Canadian National Railways, would the minister check with the company, or have an inquiry made to determine whether or not the system of railway passes for employees and pensioners will be continued once the proposed Via rail system is in place?

Hon. Otto E. Lang (Minister of Transport): I shall be pursuing this question. I have received many representations with regard to it from pensioners and others and I understand their great interest in the continuation of their rights and privileges.

Oral Questions

SUPPLY AND SERVICES

USE OF PAYMENT WITHHELD FROM NORTHROP TO MAKE LOAN TO CANADAIR—GOVERNMENT POSITION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I have a question for the Minister of Supply and Services. When the government reached an out-of-court settlement with Northrop requiring the payment of some $9 million to Northrop, the minister told the House that some $6.5 million of this was actually money which the government had previously withheld from Northrop. A report has now surfaced to the effect that this money was actually lent to Canadair in lieu of progress payments and that the debt is going to be magically converted into a Canadair asset. Could the minister tell the House whether it is true that the money which was withheld from Northrop was loaned to Canadair through the defence production revolving fund and whether this is the money which the government now proposes to write off by the device of renaming it an asset of Canadair?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I think the hon. member is confusing two issues. It is a fact that our settlement with Northrop represented for the larger part money which had been withheld from their contract and thus was owed to them. Furthermore, the loan granted to Canadair was not related only to the Northrop contract but also to various contracts, and for the fruitful negotiation of those contracts, this loan had been granted and has been recently reimbursed to the government.

[*English*]

Mr. McKinnon: Bearing in mind that the government has owned 100 per cent of Canadair since January 5, 1976, according to the minister's reply to a written question, and is now perpetrating a financial shell game which permits a Canadair debt of more than $8 million to be turned into an asset, requiring, strangely enough, a further transfer of more than $8 million from the taxpayers to the company, is the minister now claiming another first for this Liberal government—that this group of financial geniuses has now bought and paid for 122 per cent of Canadair?

[*Translation*]

Mr. Goyer: Mr. Speaker, the negotiation for the Canadair purchase has been done by the Department of Industry, Trade and Commerce, and of course any investment in the company is decided by this department. Our relations with this company are therefore on a supplier-to-customer basis.

[Mr. Lang.]

[*English*]

CITIZENSHIP

ACTION TO CLEAR BACKLOG OF APPLICATIONS—SUGGESTED DELAY OF DEMAND PROVINCIAL EMPLOYEES OBTAIN CERTIFICATES

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is to the Secretary of State as the minister responsible for the citizenship branch; it follows a question which was asked last week by the hon. member for Fundy-Royal. At that time, the minister said he would be writing a letter to members of parliament asking their co-operation—I believe he has already done so. What we would like to hear is what he plans to do about the backlog in the citizenship branch which is causing serious difficulties to a great many Canadians who may wish to travel, join the Armed Forces or engage in a variety of other activities. Can the minister suggest at least one small step to be taken in clearing up this backlog within the citizenship branch by speeding up the processing of applications?

Hon. John Roberts (Secretary of State): I wish to express appreciation for the hon. member's co-operation. As I indicated to the hon. member for Fundy-Royal, we expect the backlog to be cleared up fairly quickly and I am exploring the suggestions which have been made by the hon. member for Fundy-Royal and other members that improved liaison might be arranged between the Passport Office and the citizenship branch. I would be happy to consider any other suggestions the hon. member might have to make.

Mr. Johnston: Is the minister aware of the undue pressure placed on the citizenship branch by various provincial departments and, I suspect, federal departments as well, demanding that provincial public servants apply for citizenship immediately upon qualifying, under threat that failure to do so will result in their jobs being posted, and that this situation has worsened since the qualifying period for citizenship became only three years? Can the minister tell us whether federal departments are demanding the same of their civil servants who might be in the position of holding landed immigrant status? If this is the case, has the minister considered asking the provincial governments to place a moratorium on that sort of demand, at least until the backlog of applications in the citizenship branch has been cleared away?

Mr. Roberts: Mr. Speaker, I was not aware of the situation which the hon. member has described. I will certainly look into the matter.

* * *

IMMIGRATION

POSSIBILITY OF LAX HEALTH CHECKS IN VIEW OF INCREASED INCIDENCE OF LEPROSY

Mr. Jake Epp (Provencher): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. It

arises from an alarming increase in the number of documented cases of Hansen's disease, more commonly referred to as leprosy. The department has informed me that cases of leprosy in Canada have increased dramatically—there were 38 in 1965, 51 in 1970, 92 in 1975 and 99 last year. Can the minister explain this increase? Is it possible that our health checks are proving inadequate? Can he advise us what has been done by his immigration officials abroad to make sure that a person suffering from leprosy is not admitted to Canada?

Hon. Bud Cullen (Minister of Manpower and Immigration): Health checks are, of course, made but as a result of the hon. member's interest and the question he placed on the order paper I have asked my officials to take a long, hard look at the situation.

Mr. Epp: I thank the minister for that answer. Has he taken any steps, in conjunction with officials of the Department of National Health and Welfare to document the threat to Canadian health which these cases may be presenting? What steps are being taken to make sure that the disease, to the extent that it is communicable, is not spread in other areas of Canada?

Mr. Cullen: The officials of the Department of National Health and Welfare engaged in these tasks are highly competent and I know they work in close contact with their provincial counterparts. Given the dramatic increase about which the hon. member has spoken, I am certain they are watching the situation closely.

* * *

● (1450)

AIR TRANSPORT

FAILURE OF EMERGENCY LOCATER TRANSMITTERS AND CROSS POSITION INDICATORS—GOVERNMENT ACTION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of Transport. I wonder if we could ask him to leave the seat of his successor and perhaps answer my question.

At the time the regulations were put into effect, I asked the previous minister of transport a question with regard to research and Canadian manufacture of emergency locater transmitters and cross-position indicators. Since that time there have been many hundreds of failures causing many thousands of dollars worth of search and rescue activity falsely occasioned. I wonder if the minister can tell me now whether there have been any studies or research done, or are any going to be done, into the problems of the CPI's and ELT's that might take some of the strain off private flyers?

Hon. Otto E. Lang (Minister of Transport): Yes, Mr. Speaker, the question of a superior kind of ELT has been under examination, including the costs of a change and the reliability of any successor equipment. I have not looked at the state of the analysis for several weeks now. I will be glad to do that and bring a further report.

Mr. Ellis: Mr. Speaker, my supplementary question is for the Minister of Transport. May I ask the minister if his research is going into the problem of batteries for the ELTs as well?

Mr. Lang: Mr. Speaker, it goes into the whole question at the present time.

* * *

TOURISM

LOSS OF REVENUE AS RESULT OF REFUSAL OF UNITED STATES TO ALLOW DEDUCTION OF CONVENTION EXPENSES—GOVERNMENT ACTION

Mr. Jack Murta (Lisgar): Mr. Speaker, I would like to direct a question to the Acting Prime Minister. My question has to do with section 602 of the tax reform act of the United States which reads, in part, that Americans travelling abroad for conventions should not be allowed to deduct expenses from their taxes. Since this has caused a good deal of consternation and a loss of many hundreds of thousands of dollars to cities such as Toronto, Winnipeg, Montreal and Vancouver in lost convention revenues, I would like to ask the minister if the government has made an active solicitation to the American government, specifically the president, and could he inform the House, if they have done so, as to what reply there has been?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, when the Prime Minister was in Washington meeting with President Carter, he raised this problem with him. When the Minister of Industry, Trade and Commerce visited his counterpart, the Secretary of Commerce in the United States, the matter was also discussed. Canadian authorities are still pressing the United States government to review the matter in the hope that a change can be made to relieve the Canadian tourist industry.

Mr. Murta: Mr. Speaker, I believe the particular section to which I alluded comes up for debate in Congress in July, when there will be public hearings held and technical changes can be made at that time. Can the parliamentary secretary give the House a firm commitment that further representation, as strong as possible, will be made to the United States Congress to see whether this severe injustice can be corrected?

Mr. Poulin: Mr. Speaker, I would like to advise the hon. member the United States Senate voted on such a motion within the last two weeks, and unfortunately it was defeated by two votes. I want to assure the hon. member that further representations are being made with the United States Congress in the hope that this matter can be relieved at the earliest possible time. There are ongoing discussions, as always, between Canada and the United States on these and other tax matters.

Oral Questions

POST OFFICE

REQUEST FOR CENTENNIAL COMMEMORATIVE STAMPS FOR CANADIAN NATIONAL EXHIBITION

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, in view of the fact that the Canadian National Exhibition is the largest exhibition of its kind in the world, and in view of the fact that 1978 is the one hundredth anniversary of the Canadian National Exhibition, will the Postmaster General consider striking a centennial commemorative stamp for this event in 1978?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, I am very pleased to receive the representations from the hon. gentleman. I have visited the CNE on a number of occasions. I find it is an excellent exhibition. We are considering the matter with all due seriousness.

* * *

AIR TRANSPORT

PROPOSED MERGER OF TRANSAIR AND PACIFIC WESTERN AIRLINES—CONSULTATIONS WITH MANITOBA PREMIER

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Transport and is in regard to the proposed merger of Transair and Pacific Western Airlines. This subject has been discussed in the Manitoba legislature in the last couple of days, and the premier has informed the legislature that he is having difficulty in contacting the minister to discuss this subject. I would like to ask the Minister of Transport if the premier contacted him yesterday or today, and can he bring us up to date on whether the merger will be proceeding or not?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I do not think the premier has been accurately reported because we have had no trouble getting in touch with one another. We did speak about the question, and I have nothing further to say about the question of ownership because any such announcement or indication would come from the directly interested parties.

POSSIBILITY TRANSAIR WOULD GIVE UP WINNIPEG-TORONTO ROUTE IN EVENT OF MERGER

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, one of the problems arising out of the merger is that Transair would have to give up its Toronto-Winnipeg run in return for some of Air Canada's viable western routes. Is the minister involved in this, and will Transair have to give up these routes if the merger is completed?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am aware of some discussions among airlines about the various positions they would take in the event of a change in ownership and the appropriate application before the Canadian Transport Commission be approved. Of course, any discussion they may have about their positions can only be that and cannot affect the fact that the applications do have to go before the Canadian Transport Commission. That applies not only to changes in ownership but changes in licences for routes as well.

[Mr. Poulin.]

* * *

[*Translation*]

COMMUNICATIONS

ALLEGED IRREGULARITIES OF CRTC PROCEDURE IN CONSIDERING LICENCE RENEWAL OF RADIO CENTRE-VILLE

Mr. René Matte (Champlain): Mr. Speaker, my question is directed to the Minister of Communications.

Can the minister tell the House whether she is now acquainted with the file on Radio centre-ville, in Montreal, with regard to the litigation which opposes that community radio station to the CRTC; whether she is acquainted with the grievances that have been expressed, and also with the fact that, contrary to the notice sent to those who complained about the renewal of that station's licence, no one has been summoned to appear before the CRTC; and also, why the complainants have not been advised so that they can oppose the renewal of that community station's licence?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I know nothing about the grievances of Radio centre-ville. Those matters, as the hon. member is aware, are dealt with by the CRTC without any intervention on the part of the Minister of Communications. With regard to the question of the hon. member concerning the procedure followed by the CRTC, I must remind him that it has been challenged. The CRTC, which is authorized to set up its own procedures, decided that in the case of renewals, it would not invite new applications or new witnesses to oppose them. The courts finally agreed to the procedure adopted by the CRTC. As for the grievances, I shall look into the matter and try to give an answer to the hon. member.

* * *

[*English*]

CANADIAN NATIONAL RAILWAYS

PROPOSAL THAT RAILS BE PURCHASED FROM SYDNEY STEEL PLANT TO PROVIDE EMPLOYMENT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Transport. Now that the minister has admitted that in the past Canadian National Railways has purchased rails from Colorado Iron in the United States, will the minister advise if the Canadian National Railways is considering, or would he suggest to them, placing further orders for rails with the Sydney Steel Corporation, and if not required by Canadian National Railways at the moment, they could be stockpiled for future use as has

been done in the case of uranium, coal, butter and other commodities—

Mr. Hnatyshyn: And eggs!

Mr. Muir: —thereby providing employment for unemployed steel workers in Cape Breton?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the Canadian National only looks elsewhere for rails when there are good reasons for doing so. There were some over-capacity problems not too long ago. Following visits from steel workers and the representations from my colleague, the President of the Privy Council, I had meetings with Canadian National. As a result of those meetings, discussions with the steel plant took place and orders for rails were accelerated with Canadian National agreeing to take the rails earlier. They have been doing just that and stockpiling them for use later in the year.

* * *

HOUSING

POSSIBILITY OF MORTGAGE DEFAULTS UNDER ASSISTED HOME OWNERSHIP PROGRAM

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is for the Minister of State for Housing and Urban Affairs and relates to the government's Assisted Home Ownership Program. In view of the fact that the AHOP program is based on the assumption that real family incomes will rise over the long term, and in view of the fact that there is economic uncertainty in Canada, is the minister aware of the possibility that there will be large scale mortgage defaults after the interest-reducing loan becomes due at the end of the five-year period?

Hon. André Ouellet (Minister of State for Urban Affairs): No, Mr. Speaker.

● (1500)

Mr. Whiteway: A supplementary question, Mr. Speaker, for the same minister also having to do with the AHOP program. In view of the fact that observers close to the financial markets of this country are predicting real difficulty—I think the minister is aware of this—and due to the ballooning which will take place five years from now when these loans become due, would the minister at least be prepared to concede that CMHC may not only have to maintain the subsidies but in fact have to assume those mortgage payments altogether?

[*Translation*]

Mr. Ouellet: Mr. Speaker, the only thing I can tell the hon. member is that this program is very popular in Canada and that it allowed a few thousand Canadians to acquire 38,000 new housing units in Canada; I should think those people do not share the concerns of the hon. member.

[*English*]

LABOUR CONDITIONS

IMPLEMENTATION OF HALL REPORT ON RAILWAY PENSION PLANS—GOVERNMENT ACTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour concerning the report of Dr. Noel Hall on Canadian railway pension plans. In view of the fact that very little has been done about this report, and particularly in view of the fact that nothing will be done to improve the pensions of those already retired unless some initiative is taken by the government, can the minister say whether the government is considering taking an initiative on behalf of those retired railway employees?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I do not think it is quite accurate to say that nothing has been done with respect to the Noel Hall report. As the hon. member is aware, the report directly aims its remarks at the CPR, which is a private corporation. I have talked to some leaders of the railway unions and this is going to be a very serious subject at the bargaining table during the current negotiations. What flows from it may very well have implications for the pensioners already retired to whom the hon. member refers.

SUGGESTION PENSION FUNDS BE AVAILABLE FOR INSPECTION BY UNIONS—GOVERNMENT POSITION

Mr. R. Gordon L. Fairweather (Fundy-Royal): A supplementary question, Mr. Speaker, for the Minister of Labour. Surely the minister agrees that the CPR, or any other railway or corporation running a private pension fund, should be directed by legislation to make the pension fund available for inspection by the unions? This does not have to wait for other people. Why does the government not act on this part of the Noel Hall report?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, that is an area that we may very well look into.

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): Before some hon. members get too excited about the situation, if my interpretation is right, I believe it is the feeling of the union leadership, at least those to whom I have talked, that they would prefer the matter now to rest in their hands in the free collective bargaining system, and they are assured that they can do rather well, better perhaps than a lot of the rest of us.

* * *

[*Translation*]

PRIVILEGE

MR. LAMBERT (BELLECHASSE)—ALLEGED BIAS OF RADIO-CANADA

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I rise on a question of privilege in connection with a matter of utmost

importance, to emphasize once more the lack of objectivity which the French network of the CBC is demonstrating in its news bulletins and which may infringe upon the privileges of hon. members. When I came to the House yesterday, together with my wife and brother-in-law, I was confronted by a battery of photographers bent on filming my arrival, as though this was a special event of some sort. Yet, not once before, out of the hundreds of occasions I covered the distance and entered through the same door to reach the House, was I considered newsworthy material.

During the Radio-Canada six o'clock news bulletin, reporter Paul Racine, a great man for imagining things, referred to a so-called disruption and possible rank breaking within the Social Credit Party of Canada. And to support his "story", he mentioned the contacts which Liberal members are reported to have had with the hon. member for Bellechasse in their efforts to have him join the Liberal party. This reporter also claimed that when he looked yesterday afternoon for the hon. member for Bellechasse, he finally found him in the lobby situated on the government's side.

Must one infer, from the presence of a man at a given time in the office of a bank president, that this man is there to negotiate the purchase of the bank? Does the fact that opposition party leaders meet each morning in the office of the President of the Privy Council (Mr. MacEachen), the Liberal Party leader, mean that the Liberal party is courting them? Are not hon. members, whatever their party affiliation, allowed to stroll about freely either on the right or on the left side of Your Honour's chair?

Mr. Speaker, it is true that during the House's sitting yesterday afternoon, I went to the lobby on the government's side to take part in the meeting of the Standing Committee on Agriculture, a meeting which the committee chairman had called and at which two Progressive Conservative members, one NDP and three Liberal members were also present, besides myself. Are we to infer that, because a New Democratic or a Conservative member is found with Liberals, he is being courted and that he will join them eventually?

Mr. Corbin: Who knows!

Mr. Lambert (Bellechasse): Mr. Racine, given his imagination, could have added the names of those persons, without rhyme or reason as he did in my case. Mr. Racine of the Radio-Canada news service got in touch with me immediately after this meeting. He asked me if I had been approached by the Liberals and invited to join them. I said no and I added that I happened to be in the lobby to attend a meeting of the agriculture sub-committee. Therefore, he knew why I was there and it is in bad faith that he gave the impression in his news bulletin that I had been approached by the Liberals. I find this way of informing the population repugnant and yet, newsmen are the first to demand honesty from politicians.

Perhaps we might expect the same degree of honesty from them. Why this sudden interest in me? After the Radio-Canada news last night, I realized that it was not by chance that the cameras were there at the entrance of the House and that Mr. Racine launched that rumour, because the reporter's statement was accompanied by a film which was intended to have viewers believe that there was some truth in that phony story. This is another proof that Radio-Canada does not always serve the Canadian people objectively. Yet it would have had plenty of opportunities to make headlines with the speeches I made in the House to denounce economic dictatorship, big finance, or in favour of pensions at age 60, in defence of small wage-earners, private enterprise, but it did not. Following this, the CRTC, which is making an inquiry into Radio-Canada, should add this incident to its agenda.

• (1510)

To conclude, I want to inform the House, through you, Mr. Speaker, that I was elected by the people of Bellechasse as a member of the Social Credit party and that I do not intend to renege my mandate. Indeed I have always believed that it was not the party—

Mr. Goyer: Until it becomes a federalist party.

Mr. Lambert (Bellechasse): We cannot criticize newsmen for not respecting our privileges if you do not respect my privilege to express my point of view in the House itself. Anyway, I always thought that it is not the party that makes the man but the men who make the value of a party.

Mr. Béchard: Agreed, agreed!

Mr. Lambert (Bellechasse): I hope that Radio-Canada will have the courage to correct this failure to tell the truth, something which can deprive hon. members of their privileges. Therefore, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That considering the prejudice to my reputation as the hon. member for Bellechasse, this House request Radio-Canada to set the facts straight as soon as possible.

Mr. Speaker: Order, please. As always, the question of privilege raised by the hon. member for Bellechasse involves a very important procedural matter and, if possible, I would rather delay my decision for a few hours perhaps. I shall make a decision tomorrow if possible, to deal with such an important matter.

Mr. Lambert (Bellechasse): I agree, Mr. Speaker.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I have the honour to present the third report of the Standing Joint Committee on Regulations and Other Statutory Instru-

ments. Because this committee and others, so far as I know, scrupulously present their reports in both official languages, I no longer intend to refer to that fact in presenting reports.

JUSTICE AND LEGAL AFFAIRS

Third report of Standing Committee on Justice and Legal Affairs—Mr. MacGuigan.

[*Translation*]

TV AND RADIO BROADCASTING OF PROCEEDINGS OF THE HOUSE AND ITS COMMITTEES—THIRD REPORT OF SPECIAL COMMITTEE—MR. SPEAKER

Mr. Speaker: Order, please. I have the honour to present the third report of the special committee appointed to supervise the implementation of radio and television broadcasting of proceedings of the House and its committees.

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

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. The order paper already indicates that Friday has been designated as an allotted day which has been assigned to the New Democratic Party. In order that hon. members might have all the notice possible as to what will be under discussion, I should like to indicate that the motion to be put down for Friday will be in the name of the hon. member for Oshawa-Whitby (Mr. Broadbent) and it will deal with matters arising out of the Berger report. I should also like to indicate that it is our intention that this motion be put down under Standing Order 58(9)(a), which means that we would like a vote to be taken at the end of the debate.

In view of the fact that that is Friday afternoon and there are members who try to catch planes to get away for the week end, we are also proposing—and I have discussed this with each of the other House leaders—that on Friday we alter our hours of sitting slightly. Our proposal is that we sit through the noon hour from 1 p.m. to 2 p.m., and that we end the day one hour earlier than usual, in other words, that the debate come to an end at 3.45 p.m. instead of 4.45 p.m. We propose that the bells then ring for the 15 minutes set down in the Standing Orders and that the recorded vote, if it is called for, be taken at 4 p.m. I think you will find that this proposition is generally supported.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I want to thank the hon. member for giving us notice of the subject matter and particularly of his intention with respect to the taking of a vote on a Friday afternoon, which is unusual. I think his suggestion, which he was kind enough to discuss with me on behalf of the official opposition, is an eminently sensible one in view of the geography and airline schedules that afflict this country. It is certainly acceptable, and we are prepared to consent.

Mr. MacFarlane: That is acceptable, Mr. Speaker.

[*Translation*]

Mr. Fortin: We agree, Mr. Speaker.

[*English*]

Mr. Speaker: I take it that the House is disposed to make an order to that effect today. It is suggested that on Friday, it being an allotted day under the control of the members of the NDP, the House will sit at the usual hour except that it will continue through the lunch adjournment and therefore the ordinary hour of adjournment will be considered to be four o'clock instead of five o'clock, and that for the purpose of taking a vote pursuant to Standing Order 58(9) (a) the hour at which the bells will commence to ring will be 3.45 p.m. on Friday afternoon and that the bells, as usual, be of 15 minutes duration, and that the vote be taken at 4 p.m. Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

[*Translation*]

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

I am sorry for that, but I was only trying to draw your attention before the question was put. I only want to say that this proposal may perhaps suit many members who come from cities not too far from Ottawa but it certainly does not suit hon. members who live in remote areas of this country.

[*English*]

However, I will not be a party pooper, Mr. Speaker, and I will go along with the motion, but I want that to be on the record.

Mr. Speaker: I think it should be explained that part of the discussions are discretionary and part are not. Those that are not discretionary relate to the fact that the motion is in the hands of one of the opposition parties on an allotted day, which must be agreed to, of course, by the government. That day has been allotted on a Friday and it is the right of the opposition to call a vote without any assistance. What is under discretion is the altering of the Standing Orders in order to take a vote earlier than usual. That was the only part that was put to the House for consideration at this time.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 149, 613, 1,544, 2,185, 2,229 and 2,309.

[*Text*]

EXTERNAL AFFAIRS—PROFESSIONAL SERVICES CONTRACTS

Question No. 149—**Mr. Orlikow:**

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

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

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

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): 1 (a) and 2. Study on the Baltic States and their Consular Representatives in Canada, $4,000, M. Wershof; Study on staff accommodation practices abroad, $14,300, A. Coté; Development of a programme of studies in India, $1,500, Shastri Indo-Canadian Institute; Survey on Europe as seen by Canadians, $4,500, Centre d'études et de documentation européens, Université de Montréal; Specialized studies in International Law, $35,669, University of Alberta; Study on the implications of Global Population Trends, $5,000, C. Taylor; Study on future trends and developments in Canadian-American Political and Economic Relations, $1,820, D. Munton; Study on Development and Application of a system for the determination of priorities among Canadian Foreign Policy Objectives, $7,000, Carleton University; Evaluation of rentability of Cultural Centres, $7,500, G. Fournier & Associés Inc.; Study on the feasibility of creating, maintaining and retrieving abstracts of publications by Computer System, $5,000, J. Black; Review of distribution of the Departmental Publication—International Perspectives, $2,940, N. Gordon; Analysis of ways and means to improve access to British Education System for Canadian Information Material, $4,900, N. Shuttleworth; Evaluation of the Department's Book Presentation Program to U.S. High Schools, $16,750, Bridgewater State College; Analysis and production of the Department's Publication, Annual Review, $4,000, S. Freifeld; Elaboration of a report on Studies of Canadian Foreign Policy in Secondary and Collegiate Institutions of French Canada, $5,000, Centre Québécois de Relations Internationales; Study on foreseeable future relationships between Policy Objectives, Administrative Mechanisms, and Programme Activities, $11,000, Nepean Development Consultants; Study (Confidential Report), $2,550, V. Hood.

1 (b) and 2. Administrative Reporting Control System, $10,000, S. Rahmer; Organizational Structure, $7,500, ARA Consultants; Study of Telephone System Servicing, The Secretary of State for External Affairs, The Under-Secretary and his Assistants, $3,135, Parsec Communications Inc.; Development of a Computerized Information Storage and Retrieval System, $20,000, BMCS; Review of Automated Word Processing Equipment, $3,375, BMCS; Organizational Review of Financial Services, $4,350, BMCS.

3. $89,165.

DEPARTMENT OF TRANSPORT—REGIONAL OFFICES

Question No. 613—**Mr. Munro (Esquimalt-Saanich):**

1. (a) How many regional offices are maintained by the Department of Transport (b) where is each located (c) for what area is each responsible?

2. On what date was each established and with how many personnel?

3. What is the present personnel strength of each office?

4. In addition to regional offices, are district or other sub-offices maintained and, if so (a) in what locations (b) how many?

5. Are the duties performed by those manning the regional and/or district offices line functions, in the chain of command from Ottawa to the operator in the field, or do they have other functions to perform and, if so, what are such functions?

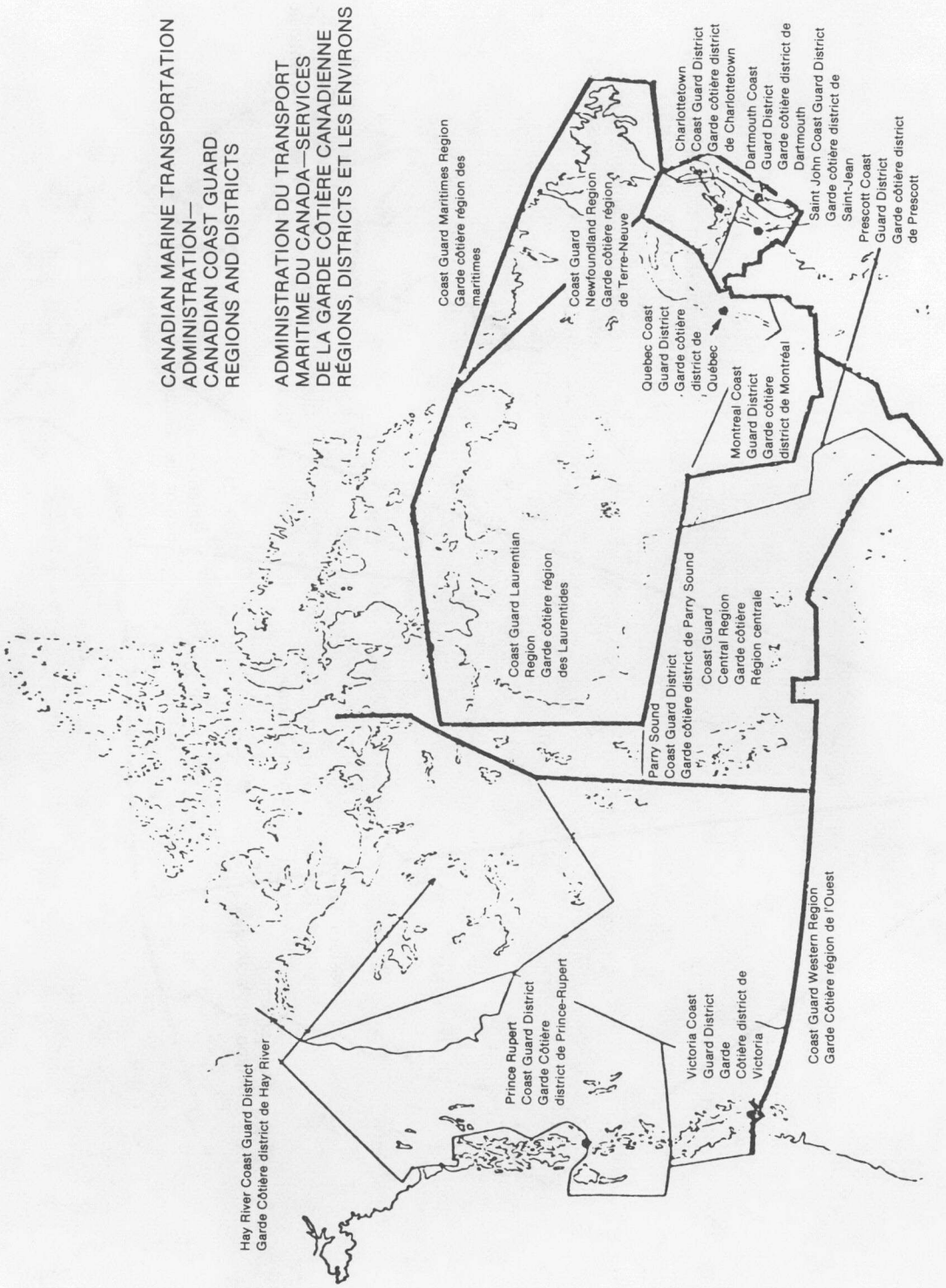
Hon. Otto E. Lang (Minister of Transport): 1. (a) The Department of Transport presently maintains 11 regional offices. (b) The locations are as follows: (i) Canadian Air Transportation Administration (CATA): Moncton, New Brunswick; Montreal, Quebec; Toronto, Ontario; Winnipeg, Manitoba; Edmonton, Alberta; Vancouver, British Columbia. (ii) Canadian Marine Transportation Administration (CMTA): Dartmouth, Nova Scotia; St. John's, Newfoundland; Toronto, Ontario; Quebec City, Quebec; Vancouver, British Columbia. (c) See maps following.

2. CATA: Moncton, 1.6.48, 40 employees; Montreal, 2.11.36, 3 employees; Toronto, 2.11.36, 2 employees; Winnipeg, 2.11.36, 2 employees; Edmonton, 2.11.36, 2 employees; Vancouver, 2.11.36, 2 employees. CMTA: Dartmouth, 1.4.67, 23 employees; St. John's, 1.8.71, 41 employees; Toronto, 1.5.72, 18 employees; Quebec, 1.4.72, 26 employees; Vancouver, 1.4.68, 19 employees.

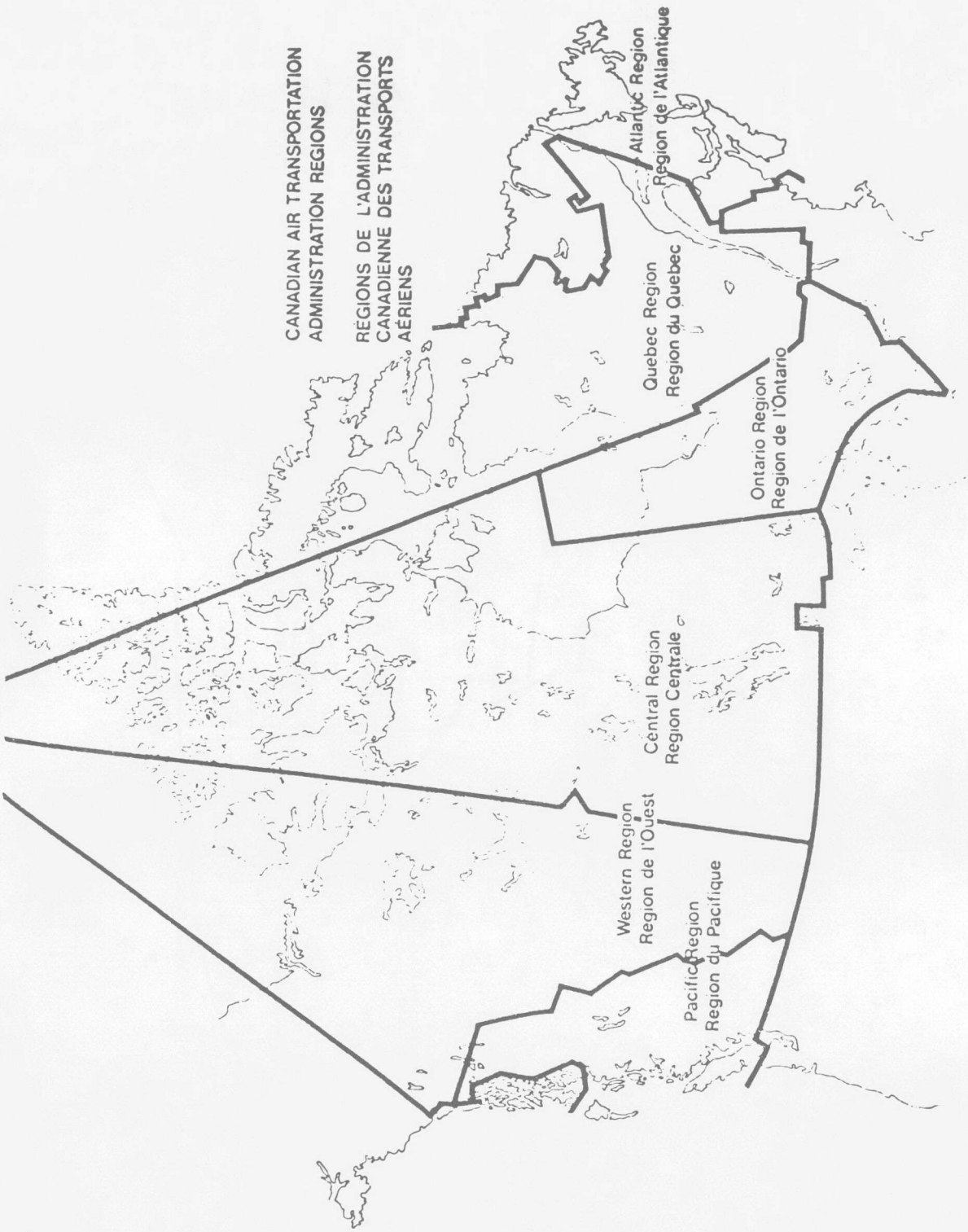
3. CATA: Moncton, 2411; Montreal, 2329; Toronto, 2112; Winnipeg, 1367; Edmonton, 1703; Vancouver, 1578. CMTA: Dartmouth, 1776 (Including 233 lightkeepers); St. John's, 564 (Including 78 lightkeepers); Toronto, 788 (Including 165 lightkeepers); Quebec, 1344 (Including 71 lightkeepers); Vancouver, 964 (Including 110 lightkeepers).

4. (a) District offices and sub-bases are maintained by the Canadian Marine Transportation Administration in the following locations: District Offices: Charlottetown, Prince Edward Island; Dartmouth, Nova Scotia; St. John, New Brunswick; Montreal, Quebec; Quebec City, Quebec; Parry Sound, Ontario; Prescott, Ontario; Prince Rupert, British Columbia; Victoria, British Columbia; Hay River, North West Territories; Sub-bases: Amherstburg, Ontario; Kenora, Ontario; Thunder Bay, Ontario; Sorel, Quebec; Selkirk, Manitoba. (b) 10 district offices, five sub-bases.

5. All the personnel manning the regional and district offices perform duties in the line chain of command from Ottawa.


CANADIAN MARINE TRANSPORTATION ADMINISTRATION— CANADIAN COAST GUARD REGIONS AND DISTRICTS
ADMINISTRATION DU TRANSPORT MARITIME DU CANADA—SERVICES DE LA GARDE CÔTIÈRE CANADIENNE RÉGIONS, DISTRICTS ET LES ENVIRONS
Coast Guard Maritimes Region Garde côtière région des maritimes
Coast Guard Newfoundland Region Garde côtière région de Terre-Neuve
Coast Guard Laurentian Region Garde côtière région des Laurentides
Coast Guard Central Region Garde côtière Région centrale
Coast Guard Western Region Garde Côtière région de l'Ouest
Charlottetown Coast Guard District Garde côtière district de Charlottetown
Dartmouth Coast Guard District Garde côtière district de Dartmouth
Saint John Coast Guard District Garde côtière district de Saint-Jean
Prescott Coast Guard District Garde côtière district de Prescott
Quebec Coast Guard District Garde côtière district de Québec
Montreal Coast Guard District Garde côtière district de Montréal
Parry Sound Coast Guard District Garde côtière district de Parry Sound
Victoria Coast Guard District Garde Côtière district de Victoria
Prince Rupert Coast Guard District Garde Côtière district de Prince-Rupert
Hay River Coast Guard District Garde Côtière district de Hay River

Order Paper Questions



[Mr. Lang.]

ENVIRONMENT—EMPLOYEES HIRED FROM PRIVATE EMPLOYMENT AGENCIES

Question No. 1,544—**Mr. McKenzie:**

1. Has the Department of the Environment obtained (a) part-time (b) full-time employees from private employment agencies in (i) British Columbia (ii) Alberta (iii) Saskatchewan (iv) Manitoba (v) Ontario (vi) Quebec (vii) New Brunswick (viii) Nova Scotia (ix) Prince Edward Island (x) Newfoundland and, if so, in each case, how many?

2. Are such employees paid from supplementary estimates and, if not, from what estimates are they paid?

3. By province, what was the (a) average hourly rate paid to employment agencies (b) average hourly rate paid to employees (c) total amount paid by the Department in (i) 1975 (ii) 1976?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): In so far as the Department of Fisheries and the Environment is concerned:

1	(a)	(b)	2		3 a	b	c		
Province	Number Part-Time Agency Employees (Calendar Year 1976)	Number Full-Time Agency Employees (Calendar Year 1976)	Paid From Supplementary Estimates	Main Estimates	Agency Average Hourly Rate 1975	1976	Employees Average Hourly Rate	Total Paid (i) 1975	(ii) 1976
(i) British Columbia	815	5		X	5.74	6.29	Not Known	1,149,887.00	1,639,824.00
(ii) Alberta	96	15		X	5.29	5.59	Not Known	89,908.76	107,018.00
(iii) Saskatchewan	12	18		X	4.60	5.65	Not Known	23,815.38	13,592.20
(iv) Manitoba	18	2		X	5.37	5.90	Not Known	7,044.50	20,554.53
(v) Ontario	741	147		X	5.18	5.66	Not Known	1,538,173.00	2,061,656.00
(vi) Quebec	31		X		6.47	6.67	Not Known	29,965.00	125,788.00
(vi) Quebec	455	6		X	5.32	5.55	Not Known	544,880.54	504,150.35
(vii) New Brunswick	1	1		X	4.77	5.25	Not Known	70,751.81	66,935.00
(viii) Nova Scotia	39	23		X	5.17	5.47	Not Known	27,689.59	21,149.86
(ix) Prince Edward Island		2		X		5.24	Not Known	99,000.00	63,436.00
(x) Newfoundland	4	2		X	5.88	6.22	Not Known	10,700.00	22,775.00

SAINT JOHN RIVER—PARTICULATE DISCHARGE

Question No. 2,185—**Mr. Fairweather:**

What is the anticipated impact on the lower Saint John River Basin of the solid particulate discharge into the Saint John River at Union Point, Saint John, New Brunswick?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): It is expected that the impact of emissions at Union Point of atmospheric particulates on the Saint John River will be minimal. Approximately 99 per cent of the atmospheric particulate emissions are contained at source, resulting in a particulate discharge of about four tons per day. This emission rate is less than other major sources in the area and in our experience, is far less than the fugitive emissions of particulates from traffic and other human activities. The suspended solids emitted directly via the effluent are relatively inert chemically but can interfere with the transmission of light through the water. They also cause some interference with the gills of fish and can smother marine life on the bottom. However, a quantitative estimate of the effects of suspended solids in the effluent are not known at this time.

CANADA COUNCIL ADVERTISING IN "LE JOUR"

Question No. 2,229—**Mr. Herbert:**

What is the total cost of advertising placed by the Canada Council in the Montreal publication *Le Jour*?

Hon. John Roberts (Parliamentary Secretary to Secretary of State): I am informed by the Canada Council as follows: A total of $392 was paid by the Canada Council to advertise arts awards competitions in *Le Jour:* $182 for an ad published on September 6 and 13, 1975 and $210 for an ad published on February 21, 1977.

RECYCLING POLICY FOR TIN CANS

Question No. 2,309—**Mr. Fortin:**

Has the government a re-cycling policy for tin cans and (a) if so, what is it (b) if not, for what reason?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): The government advocates the recovery of all potentially useful resources from the municipal waste stream, including the tin and ferrous metal components of tin cans wherever a net benefit to society would occur. We would recommend this policy for provinces and municipalities; however, in some instances, a more desirable management option may be to prevent the generation of the waste in the first place. The relative merits of these alternate policies are presently under review by many of the appropriate authorities across Canada.

[*English*]

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

* * *

MOTION FOR PAPERS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 75 is acceptable to the government.

I ask, Mr. Speaker, that all the remaining notices of motions be allowed to stand.

[*Text*]

PENSIONS—COPY OF LETTER OF CONDOLENCE ON DEATH OF SPOUSE

Motion No. 75—**Mr. Knowles (Winnipeg North Centre):**

That an Order of the House do issue for a copy of the letter of condolence the Department of National Health and Welfare sends to a woman, who has been in receipt of the Spouse's Allowance, following the death of her husband before she has reached age 65, including the portion of the said letter that tells her that her Spouse's Allowance is being discontinued.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

CRIMINAL LAW AMENDMENT ACT, 1977

AMENDMENTS TO CRIMINAL CODE

On the order:

Second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-51, an Act to amend the Criminal Code, the Customs Tariff, the Parole Act, the Penitentiary Act and the Prisons and Reformatories Act—The Minister of Justice.

Mr. Speaker: Order. The hon. member for New Westminster (Mr. Leggatt), by way of a point of order, seeks an order of the Chair that Bill C-51 be divided because it is an omnibus bill containing a number of amendments to the Criminal Code. It is the hon. member's contention that no member of parliament should be compelled to decide with one vote on one motion several questions which, even though not contradictory, are quite independent from one and another, except perhaps for their connection to the criminal law.

The hon. member makes two arguments, the first by analogy to the well-established rights of a member of parliament to force a division of a motion which contains distinct propositions. The second is that even if the practice in respect of motions has not previously extended itself into a practice in respect of bills, the reasoning is essentially the same, and therefore a member ought to enjoy the same right to force the division of bills.

● (1520)

The argument of the government is under three headings: first, that the Criminal Code is itself an omnibus piece of legislation for the obvious reason and advantage of attempting to collect the criminal law under one statute and is properly, therefore, amended by an omnibus bill; second, that the nature and impact of substantive motions is quite distinct from those motions relating only to the progress of a bill, so that both the practices and principles must remain separate and distinct. In that sense the several stages and the procedures and practices surrounding the several stages of a bill afford to hon. members ample opportunity to put forward the different views they may have in respect of the various clauses of the bill, whereas that does not exist in the case of a substantive motion which must be taken upon one decision.

Third, the government argues that the use of omnibus amending bills is a well-established practice in our House, notwithstanding the numerous attacks which have been made upon it in the past.

Indeed there is no shortage of precedents, for the same situation has arisen several times in the past, with all of the same arguments having been made, and obviously, judging by the rulings, carefully considered. I refer to two very thorough rulings by my distinguished predecessor, the Hon. Lucien Lamoureux, one on January 26, 1971, which is reported at page 283 of the *Journals* having to do with the government reorganization bill, and the second on January 23, 1969, which is found at page 616 of the *Journals* and which dealt again with an omnibus amending bill to the Criminal Code. Except for the wiretapping legislation which is, of course, a bill which has been passed since that time, all of the same statutes plus a few more were included in the amending bill.

All hon. members who took part in this discussion obviously studied these decisions very carefully and recognized the usual impeccable reasoning and precise expression of the Hon. Lucien Lamoureux. There is no need to repeat his language. His decision is crystal clear, and there can be no doubt that a motion containing two or more substantive provisions is quite distinct from a procedural motion or a motion which is generally described as having only the effect of dealing with the progress of a bill. The practice in respect of substantive motions has never been extended to those motions which relate to the progress of a bill. The use of the omnibus amending bill is well enshrined in our practices, and I really can find no reason to set aside my predecessor's very clear and sound reasoning, or the practice. Nor can I find any authority which would support an order of the Chair at this second reading stage that the bill be divided.

I should emphasize as well that the remedy sought by the hon. member is not to divide the bill according to the separate statutes to be amended but by subject matter. Were that to be attempted, it would place before the Chair, it seems to me, questions of interpretation and responsibility for the drafting of an extremely complex order, which in my opinion the Chair ought not to attempt.

I suppose there is no need to speculate on whether circumstances might arise in the future in which such a remedy might be available. However, I certainly am bound by the clear language of our precedent rulings and previous practices to reject the point of order of the hon. member for New Westminster, and I decline to make the order which he requests.

This still leaves, as it has in the past every time this kind of argument has been put forward, some very deep concern about whether our practices in respect of bills do in fact provide a remedy for the very legitimate complaint of the hon. member that a bill of this kind gives the government, under our practices, the right to demand one decision on a number of quite different, although related, subjects.

Some hon. Members: Hear, hear!

Mr. Speaker: I think an hon. member of the House ought to have the right to compel the House to vote on each separate question. Previous rulings have made reference to several devices open to hon. members under our proceedings regarding bills, but it seems to me that each which has been mentioned in the past suffers from at least one weakness.

For example, it has been suggested that motions by way of an instruction to the committee, once the bill is in the standing committee, that the bill be divided, might be applicable. This is a practice which has been rather prevalent in the British House, but in our procedures it raises a very great number of serious and unanswered procedural questions, and in any case it has never really been successful. It has been suggested that hon. members have an opportunity to vote clause by clause in the committee and, of course, to persuade other hon. members to do the same, but even if that can be effective it still does not constitute an expression of the entire House.

It has been said that at the report stage hon. members can isolate clauses by tabling, with the appropriate notice, motions to amend, but even there it seems to me the point is not answered, as equally it is not answered by the suggestion that at third reading stage hon. members can put down motions to refer the bill back to the committee for reconsideration of certain clauses. I say that those two remedies do not answer the point fully because it may very well be that an hon. member might take the position that the law is fine the way it is and that he ought not to be put under the burden of contriving some kind of amendment or seeking further study when in fact he does not want further study. What he really wants to express is that the law is fine the way it is and that it ought to be left alone. It seems to me that he ought to be entitled to put that point at least at some stage in our proceedings, and furthermore, to require other people to come to a vote on that proposition.

Therefore, I think that in the past when attention has been directed to these remedies, not enough has been said about one device which does rest in the hands of hon. members, at least in my opinion, and that is a motion to delete pursuant to Standing Order 75(5). The reason this has not been developed fully in rulings in the past is that in the most recent rulings—the two I have cited, one in 1969 and the other in 1971, when the new procedures of the House were under discussion, and in the latter case when they were really rather fresh—I do not think the full impact of the motion to delete was recognized at that time.

Hon. members will recall that this subject of motions to delete pursuant to Standing Order 75(5) was very much before us when the House debated Bill C-84, the bill to abolish capital punishment of several offences. Opponents of the abolition of capital punishment sought to introduce in the House, at report stage, motions of two kinds. They sought to introduce motions to amend, which had the effect of reinstating the law by way of an amendment of one kind or another, and I ruled that those amendments, because they offended the basic principle of the bill, were out of order. However, there were also motions to delete the effective clauses pursuant to Standing Order 75(5). There could be no question but that those motions to delete equally offended the principle of the bill as those motions to amend, for in fact the effect of deletion would have been to have restored the law which was, in fact, to impose capital punishment for those offences, and it posed a great problem for the Chair.

I dealt differently with the motions to delete because I felt that we clearly were not subject to the same restrictions as those precedents relating to amendments only, because the motion to delete was enshrined in a specific Standing Order, and whether it had been the intention of the drafters of that Standing Order to hand this power to the private member was irrelevant to me. The fact was that it was in our Standing Orders, and it seemed to me that if there was doubt as to the extent to which the private member could take advantage of that Standing Order, that doubt ought to have been resolved—and in my opinion was resolved—in favour of the private member having the opportunity to use that motion to delete to bring the House to a vote in that situation.

I felt that there was some discrepancy between the two rulings, one having to do with amendments which contravened the principle, and the other having to do with motions to delete which might—and I stress might—have offended the principle of the bill, and in the course of that ruling I asked that the Standing Committee on Procedure and Organization examine that discrepancy and attempt to resolve it for the House.

• (1530)

It also seems to me, however, that even if the greatest respect is paid to the principle and to the classic reasoning that we have applied in the past to amendments when we are dealing with motions to delete—in other words even if the greatest respect is paid to the principle that motions at the report stage are circumscribed in their procedural inability to offend the principle of the bill, it still seems to me that in most cases it is likely open, and certainly in this case it would likely be open to an hon. member who seeks to do what the hon. member for New Westminster and other hon. members have said they ought to be able to do, a point with which I have some sympathy, that is to say, that where a bill is presented—and certainly it is the right of the government to present such a bill—which contains amendments to several different areas of the law although all connected to the criminal law, a member ought to be able to use some procedure at some stage of the bill to cause the House to make separate decisions on those very subject matters.

Therefore, while I carefully guard the specific rulings on the contradiction between the principles of the bill and the motions that might be put forward until the actual stage arises, because we are speculating as to what the cases may be, it seems to me in advance that in a bill of this sort where several subject matters of the criminal law are sought to be amended in one statute, which is proper in our practice, a member ought to be able, if he wishes, to attempt through motions to delete under Standing Order 75(5) to isolate those sections which he

feels ought not to be amended or that ought to be voted upon separately, without offending the principle of the bill. I think that would give the hon. member and other hon. members an opportunity that they should enjoy, to put their position on the record, which I think ought to be known, and also to require others in the House to vote in respect of that position.

This is again without prejudice to the specific arguments as they may arise, because I think hon. members will realize it might be foolish to speculate what the specific motions might be and what might be the arguments against them in terms of contravention of the principle of the bill. As a general proposition it seems to me that if we could accept it in a situation such as the capital punishment bill until it is further resolved, where the connection was the criminal law and where there were several sections or crimes for which abolition was sought and members were entitled to say, "I am in favour of abolition for some of those sections but not others; therefore when do I get my chance to require the House to side with me or against me?"—if that could be accepted as subject to further clarification by the standing committee on Procedure and Organization, surely it can be accepted in this situation where the hon. member seeks to say, "I may be in favour, for example, of amendments to wiretapping but not to gun control, or to gun control, but not to other offences and provisions with regard to dangerous offenders, for example, that are in the bill."

So, guarding it for the specific arguments that may arise, I wish to stress again that it seems to me the hon. member ought to have the opportunity he seeks through this point of order, which I have set aside, and that that opportunity ought to arise generally without offending the principle of the bill through the use of Standing Order 75(5).

Hon. Ron Basford (Minister of Justice) moved that Bill C-51, to amend the Criminal Code, the Customs Tariff, the Parole Act, the Penitentiary Act and the Prisons and Reformatories Act be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, with regard to the ruling that has just been made, as Your Honour knows I was unable to participate in the debate on the point of order on Monday night. I want to say that I appreciate the fact that the hon. member for New Westminster (Mr. Leggatt) raised the point of order on Monday so that it could be debated by the House and disposed of by Your Honour before the bill was called. I appreciate that it was done that way rather than raising his point of order today, as that would have thrown the business of the House into some confusion.

The theme of this bill is, of course, familiar to the House and was dealt with extensively in the last session. The theme is obviously the greater protection of the Canadian public through improved measures concerning the prevention of crime and the treatment of criminals. One of the essential features of criminal law in the system of administration of justice that we have in this country is that the Minister of Justice—as I pointed out in a speech on a similar bill last session—is responsible for seeking this protection and ensuring that the law provides such protection involving as it does the well-being, the safety, and ultimately the very lives of Canadians.

This theme has been debated extensively in the past—both in principle and in detail. Bill C-83 of the last session contained the same four elements—firearms control, electronic surveillance, dangerous offenders, and custody and release of inmates. Sixty-three different speakers were heard at second reading stage of that bill. The Standing Committee on Justice and Legal Affairs studied it for some 9½ weeks, and received in total 38 briefs.

During that time, Mr. Speaker, those briefs instigated amendments made in committee, and the bill was then reported back to the House with a large number of these amendments. Furthermore, in the course of report stage, a number of letters and statements were sent to me, and these have been carefully considered by myself and members of the government. Indeed this new bill's whole existence is predicated on the contributions made during and following the debate on Bill C-83.

On this side of the House I would note the valuable work done in this regard—and it is always dangerous to name some—but I would refer to the valuable work done by the hon. member for Peel-Dufferin-Simcoe (Mr. Milne) and also those who had reservations about the bill and were helpful in making changes in it. In the latter regard, I note the contributions of my colleague from British Columbia, the hon. member for Coast Chilcotin (Mr. Pearsall), the hon. member for Gatineau (Mr. Clermont), the hon. member for Assiniboia (Mr. Goodale), and the hon. member for South Western Nova (Miss Campbell). This only represents a small number of those who were actively involved in the discussions and decisions made on Bill C-83 and the redrafting of the proposals such as are now contained in Bill C-51.

I should like to put on record as well recognition of the considerable work done in this regard by hon. members opposite, especially those who are members of the Standing Committee on Justice and Legal Affairs under the able chairmanship of the hon. member for Windsor-Walkerville (Mr. MacGuigan). The spokesman for the official opposition at the committee was the hon. member for Calgary North (Mr. Woolliams). I should also like to mention the hon. member for New Westminster and the hon. member for Richmond (Mr. Beaudoin). I repeat that it was the contributions of these hon. members along with those of many other members of the House and of the many and varied interest groups and provincial governments that led to the development of the bill now before the House. I hope that hon. members recognize the extent and the value of this effort.

The fact that this amount of work has been done in the House, in committee, and in the various caucuses of the House, combined with the pressing need for legislation of this type will, I trust, cause all hon. members to give these measures the quickest and most deliberate consideration. To that end, I will devote myself on this occasion to touching only briefly on some of the major provisions of the bill.

During the debate on Bill C-83 and the discussions which have transpired since then, the primary focus has been that of firearms control. The public contributions in this area have been particularly extensive, and I am thinking in particular of the work that has been done by concerned groups such as the Canadian Association for Sensible Arms Legislation, including as one of its members the Canadian Wildlife Federation; the Canadian Retailers' Association, and the city of Windsor, again to name but a few.

● (1540)

The major differences between Bill C-51 and its predecessor are found in the firearms sections, and I am confident the time has come to adopt these especially vital measures of protection for society. If some were able to claim when the predecessor bill was before the House that they were not consulted adequately, or their views were not taken into account in the preparation of that bill, let me say that is not the case with the bill now before the House. There has been extensive consideration of and consultation on all possible points of view on this bill.

It is clear to me that our laws in this country relating to firearms need to be changed. It is wrong, for example, that an escaped criminal from a penitentiary can go to the nearest sporting goods store and buy a gun, rifle or shotgun without questions being asked, as easily as he can walk into a drugstore and buy toothpaste. Something is wrong with the law when that is permitted and possible, and it is my responsibility to recommend to my colleagues and parliament the necessary changes in the law to alter that situation. I submit that it is parliament's responsibility to deal deliberately with that situation and with my recommendations.

In this country it is difficult to propose measures relating to firearms control. I say that because this country is diverse. The interests of those in the huge metropolitan areas of Montreal, Toronto, and Vancouver, have to be matched with the interests of the trapper in northern Saskatchewan, or of the Inuit in Tuktoyaktuk who depend on a rifle for their livelihood, or the interests of all those countless numbers of people across Canada who use rifles and shotguns for legitimate and responsible sporting purposes. Combining within one régime various provisions which will protect the public and take into account the diversity of our country is an immensely difficult job. As a result of the introduction of Bill C-83 and all the discussion which flowed from it we have been successful, in Bill C-51, in marrying the public objective with the need to protect the rights of certain people who, for responsible and legitimate purposes, use long guns in this country.

The objectives of the government's firearms control proposals remain unchanged. Simply, they are to prevent the potentially dangerous user from gaining access to guns to the extent feasible; to encourage responsible gun ownership and use; and to discourage the criminal use of firearms as much as possible. Bill C-51 addresses itself to meeting these objectives in a number of ways. It will do this, first, by screening new acquirers of firearms before they can obtain a weapon; second, by providing a mechanism for identifying existing gun owners who may be potentially dangerous and preventing them from possessing and using firearms; third by prohibiting certain particularly dangerous firearms which have no legitimate sporting purpose, and restricting others; fourth, by strengthening the registration provisions for restricted weapons—but obviously this in no way applies to long guns or shotguns; fifth, it will do it by strengthening and extending the permit provisions for businesses that deal in firearms and ammunition; sixth, by promoting the education and training of firearm owners; and seventh, by providing stiff penalties for criminals who use firearms.

The instruments for achieving these ends were developed with a view to utilizing existing schemes and mechanisms as much as possible in ensuring that they involved the least possible interference in the lives of responsible Canadians and provided the greatest effectiveness for the least cost. Thus we have moved away from the concept of universal screening of gun owners and zeroed in on those gun owners or would-be owners who might be dangerous to themselves or others if they have access to a firearm. These include persons who have histories of conviction for offences involving violence against anyone, those who have been convicted of firearms offences, those who have a history of violent behaviour or who have a record of treatment for mental disorders associated with violence. These provisions have been, to the best of our ability, spelled out in the most objective terms possible. Consequently there is an objective test governing who may or may not qualify for a firearms acquisition certificate.

Had we been able to use these screening criteria last year, and I do not want to spend much of my time dealing with incidents which have occurred—a number of tragic incidents would never have taken place, including the one involving Ernest Lamourandire, the Yonge Street sniper. He had a long history of convictions for crimes of violence, yet there was nothing in the law to stop him from walking into a Yonge Street gun store and buying the high powered rifle he used to wound five people and kill himself. That there exists no mechanism in the law which could prevent this is wrong.

For new acquirers of firearms we have developed a firearms acquisition certificate system. Anyone wishing to obtain a firearm would first have to apply for and be issued a firearms acquisition certificate application. The acquisition certificate application would be reviewed by a firearms officer, in most cases a police officer. This system has several important advantages. It permits the screening out of persons who should not have access to firearms. It provides an effective delay or cooling off period before a firearm can be acquired. It provides a tangible means by which firearm retailers can determine that a buyer is not under an order of prohibition. It offers a measure of control over the mail order sale of firearms. Also the need to obtain a firearm acquisition certificate should cause new acquirers, some of whom may be unbalanced, to reflect more carefully on the serious responsibility inherent in firearms ownership.

An added check is provided in the proposed acquisition certificate system in that not only must the new acquirer show the certificate when obtaining a firearm but the law requires the person transferring the firearm to see and record the certificate.

Concern has been expressed about the cost, which was to be charged under the previously proposed bill. I have been somewhat alarmed to note some of the statements which have been made about the matter of cost. Mr. Speaker, it is proposed that the cost of the acquisition certificate will largely be paid by the $10, five-year fee. I believe it is proper as the committee suggested last session, that people who wish to use firearms should bear a share of the cost of protecting Canadian society from the misuse of those guns, just as society itself pays for part of that protection. The remainder of the cost of the system will be covered by the federal government; therefore a contribution will be made not only by those obtaining acquisition certificates but by the public at large. This provision is in conformity with the view of the committee and was incorporated in the legislation.

The government recognizes that the ability of gun users to handle firearms safely and competently is of great importance. Competency training and testing have traditionally been an area of provincial responsibility and so provision has been made to allow each province to have the government require completion of a safety or competency course as a prerequisite for the issuance of an acquisition certificate in that province. I am of the same view as many wildlife groups who for many years have urged competency testing programs within their provinces. I look forward to working with them and encouraging the provinces to take advantage of that provision in the bill by which they could attach competency to the issuance of an acquisition certificate.

● (1550)

Furthermore, provision has been made in the legislation, and I direct hon. members attention to those clauses in particular, to allow the provinces to ask the federal government to declare that in their provinces hunting licences, competency certificates and other permits issued in connection with the use of firearms may substitute as federal firearms acquisition certificates under the conditions specified in the legislation. Much of the debate centred around the need for local administration and provincial administration. That is being provided in this section of the proposal, if provinces want to avail themselves of that facility.

The screening of existing gun owners will be achieved through a strengthening and broadening of the court's powers of prohibition. Thus, persons convicted of an indictable offence involving violence against a person and carrying a sentence of ten years or more, or using a firearm while committing an indictable offence, would be subject to a mandatory court order prohibiting them from using or possessing firearms for a minimum of five years.

Morever, the courts could impose prohibitions against persons convicted of other crimes of violence or offences against the firearms sections of the Criminal Code. Police may also ask the courts to issue orders of prohibition where they have information indicating that someone should not be in possession of a gun; for example, where someone consistently threatens a member of the family or a neighbour with violence. I emphasize that this is an additional screening measure affording a further measure of public protection. Now, in addition to the court or magistrate making a mandatory order of prohibition where a serious crime is involved, there will be a discretionary power in a court or magistrate to make a prohibition order with a power for police officers to aply to a court for this judicial order on proper information and belief that a certain person is a danger to himself or others, and his ability to have a gun should be restricted or prohibited.

In connection with potential domestic violence, a further preventative measure is offered through the proposal to strengthen seizure rights for police. Where police are called into a family quarrel, for example, and a gun is present, police would have the right to seize the weapon so that it does not become the tragic means of settling the dispute. Whether or not a gun is seized, the police course of action has to be justified forthwith by application to a court in order to prevent irresponsible seizure or harassment of innocent people by the police.

I submit that the two systems of an acquisition certificate for new acquirers of firearms and the provisions relating to court prohibitions and court order seizures go hand in hand. They provide an effective measure of public protection which we do not now have in the law and that we need, without at the same time unduly interfering with the rights of responsible citizens.

In all cases, a system of appeals is available to protect the rights of gun owners who have had action taken against them.

Some parts of these legislative proposals, particularly those relating to the business permit system, require the establishment of regulations in order to make them responsive and flexible.

I know there was a great debate on regulations the last time the subject was debated. Any student of Bill C-51 will notice that there is far less regulatory discretion in Bill C-51 than in Bill C-83.

On the question of dealers, it would result in an immensely rigid system to put all of the proposed regulations relating to dealers in the statute. However, these regulations have been discussed with those interested. They will be discussed with the Standing Committee on Justice and Legal Affairs, as well as with police, gun owners, and representatives of the businesses affected by them.

We continue to believe that gun owners must be better informed about responsible firearms ownership. I have described the steps being taken in the acquisition certificate system to promote competency training and testing of gun owners by the provinces. We will encourage the fullest extension of such training and testing across Canada.

For people who do not store, handle, and use their weapons responsibly, penalties must be imposed. There are still far too many instances where children, for example, gain access to improperly stored weapons or ammunition causing tragedy for themselves or playmates. This cannot go on. Generally speaking, careful use of firearms is a matter of common sense.

Gun clubs and provinces make excellent material available advising people how to handle, transport, and store their weapons safely, and there is no excuse for people failing to do so.

As far as the use of guns by professional criminals goes, this legislation will make it as difficult as possible for them to gain access to firearms, and will provide penalties for committing crimes with guns which are so stiff that the crook feels it is too dangerous to do so.

I think one of the things the committee was looking for when we discussed this the last time, and I also agreed to, was somehow to write into the law a system of mandatory minimum sentences for the use of firearms in the commission of crimes which would be a signal to the criminal element that if they were going to commit crimes they had better not do it with a firearm. It was the unanimous feeling of the committee that that was the desirable and necessary approach to take. It is alarming to note that the incidence of firearms robbery rose 53 per cent between 1974 and 1975 while non-firearms robbery rose only 11 per cent. We must turn this trend back, and I believe that our new proposals can do so.

Hon. members will recall the discussion during the last year on the work of the Quebec crime inquiry. It was very much in the news. The recommendations made by that inquiry relative to the criminal use of firearms and what the law should be were carefully considered in the preparation of this legislation.

The firearms control provisions in Bill C-51 fill a critical gap in the protection that Canadians have a right to expect. They have a right to expect parliament and myself to deal with that. That gap must be filled now before yet more deaths and injuries point out in the most tragic manner possible the urgent need for improved control of firearms.

In a free society we have to take account of what the views of the Canadian people are, without at the same time using the strength of the majority to override the legitimate interests and needs of the minority.

The last public opinion poll taken on this subject in February, 1977, asked, "Would you favour or oppose a law which would require a person to obtain a police permit before he or she could buy a gun?" The responses were 85 per cent in favour, 12 per cent opposed, and 3 per cent with no opinion. I submit that the proposals relating to firearms contained in Bill C-51 are precisely in line with that question. The question refers to a police permit, the legislation to an acquisition certificate which would apply and be necessary for the new acquisition of a firearm. We have a responsibility to respond to the need and the desire of those 85 per cent who want that sort of system within the law of this land. We obviously have a responsibility to take into account the interest of the 12 per cent who oppose this system. Many of them are sportsmen, gun-users, trappers, and native people. In designing Bill C-51 and in the immense amount of consultation which has gone on, we have endeavoured, successfully I think, to take into account the proper interest of that 12 per cent. I hope this minority will recognize, as we proceed with the debate, that we have endeavoured to take their interest into account while protecting the majority of the Canadian people.

● (1600)

I wish to turn now to the provisions of the bill relating to electronic surveillance, an immensely difficult issue which concerns each one of us. As many hon. members will recall, the question was debated at great length in 1974 when the protection of privacy bill was under consideration, and again when Bill C-83 was before the House. The provisions in Bill C-51 in relation to electronic surveillance do not in any way derogate from the fundamental principles, approved by parliament, that the individual has a right to privacy in his lawful communications with others, and that private interception of communication is outlawed.

Just as the protection of privacy legislation was passed by parliament with no intention of frustrating the capacity of police authorities to uncover and prosecute crimes, the amendments in this bill are designed to ensure that the activities of the bosses of organized crime can be more effectively investigated than is possible at present. The amendments are essentially the same as the provisions passed by the House committee which reported on Bill C-83. There are two important changes and each of them further protects the fundamental right to privacy. I might add that in this speech I shall deal with those two changes only. In committee I shall obviously have to deal extensively with all the provisions relating to electronic surveillance.

The first change has to do with the 90-day notice provision. Your Honour will recall that the earlier bill allowed a waiving of the 90-day notice provision according to which, if surveillance had occurred, notice had to be given within 90 days. In committee last year the hon. member for Lafontaine-Rosemont (Mr. Lachance) introduced an amendment to extend the 90-day notice to a period of five years if a judge so ordered. In other words, the giving of notice could be delayed for a period up to five years. This meant that while, as a general rule, the police had to give a notice to a person who had been the object of an interception within 90 days of wire tapping, in special cases a judge could order, upon the basis of a sworn affidavit, that the permitted period could be extended to five years.

This amendment, as I followed the committee proceedings, was generally supported. I quote, for example, the hon. member for Calgary North as reported in the official record of committee proceedings of June 16, 1976. The hon. member is reported as saying:

> Mr. Chairman, I am happy to see this change. I do not think any of us can take individual credit but I do know Mr. Leggatt took that position, as did Mr. Fairweather and Mr. Diefenbaker in our party, and myself, as well as Mr.

Lachance, the member for Lafontaine-Rosemont. He, too, is a big man in this field.

So I want to congratulate the minister—he is not here, but he will hear about it, I am sure—

As I obviously have.

—on being flexible, on making this change, and on making it realistic.

I am delighted that the hon. member for Calgary North has expressed support in that way.

We have suggested a further amendment by which the notice period would be limited not to five years but to three years. This is obviously an improvement over the provision which was contained in Bill C-83, approved by the committee and commended by the hon. member for Calgary North. What we are proposing in Bill C-51 is that a judge, upon special application and upon sworn evidence, may extend the delay in notification not to five years but to three years.

The second change in Bill C-51 is to ensure that the fundamental confidentiality of a client's conversation with his lawyer is protected. The amendment says that no authorization can be granted to intercept a client's conversation with his lawyer at the lawyer's office or at home unless, as the bill provides, there is evidence before a judge that the lawyer himself is involved in the commission of a crime. Hon. members may recall two instances which received a good deal of public attention involving electronic surveillance of lawyers' offices or telephones used by lawyers, one in Sault Ste. Marie and another in Perth.

Mr. Woolliams: There was one in Calgary in my own office.

Mr. Basford: In those instances the Solicitor General (Mr. Fox) and I worked out guidelines, and the Solicitor General issued them as instructions to the RCMP.

It is essential that these amendments protecting solicitor-client conversations be passed. It is essential for the protection of the citizen. The bill must be looked at in that light. This is not something special for the lawyers. It is an essential protection for the citizen that he should be able to talk freely with his counsel knowing that no one will be listening or eavesdropping on the conversation. I commend these amendments concerning electronic surveillance to parliament, reminding Your Honour that they were approved by the committee in the last session, subject to two changes which tighten up proposals approved by the committee and which protect the citizens to an extent greater than was previously envisaged.

My colleague, the Solicitor General, will be speaking in this debate tomorrow and will have a good deal to say on other aspects of the bill. I shall touch on them only briefly. The proposed legislation in relation to dangerous offenders is virtually the same as that which was approved by the committee when considering Bill C-83. It will repeal the existing provisions of the Criminal Code dealing with habitual criminals and dangerous sexual offenders and enact new provisions which would enable the courts to impose an indeterminate sentence of imprisonment in the case of all dangerous offenders, including dangerous sexual offenders. The court may impose such a sentence if the offender has been found guilty of a sufficiently serious offence involving the use of violence or a serious sexual offence, if the court feels that there is a threat of continuing behaviour of this sort.

• (1610)

An application to the court to find a convicted offender to be a dangerous offender can only be brought with the consent of the attorney general of the province concerned. The National Parole Board will be required to review the case of a dangerous offender not later than three years after the sentence and every two years thereafter.

With regard to the last part of this bill, there has been in this country a great deal of interest in the custody and the release of inmates of penitentiaries. Because of the very extensive work now being carried on by the penitentiaries subcommittee of the Standing Committee on Justice and Legal Affairs, much anxiety has been expressed. Most of these provisions, as I have indicated, will be dealt with tomorrow by my colleague, the Solicitor General, who will be speaking in detail on them. I touch on some of the highlights in order to remind the House, in terms of public protection which is the central purpose of criminal law, that one of the provisions provides that statutory remission in federal and provincial institutions would be abolished and replaced by an equivalent measure of earned remission.

When someone is in an institution, under the current law, they have a certain amount of their sentence remitted. Under the proposed amendment that would not be possible. As a result of the changes there would be a greater onus on inmates to earn time off their sentences through good behaviour in the penitentiary, and greater pressure to behave responsibly while in the penitentiary. Remission would be earned at the rate of one day for every two served, computed on a monthly basis. Earned remission could be forfeited and, once forfeited, could not be restored. Furthermore, the National Parole Board would be strengthened in a number of ways to ensure that we have an effective parole system.

The major new development in this portion of the bill is the revision that is planned in the Prisons and Reformatories Act which was not contained in Bill C-83. Again, the Solicitor General will deal with those extensively tomorrow. I draw the attention of hon. members to the fact that these provisions have involved considerable consultation with the relevant provincial authorities. These provisions will no doubt be dealt with in detail in the Standing Committee on Justice and Legal Affairs.

I would return to what I said at the beginning of my remarks, namely, that the vital measures in this bill represent the culmination of considerable effort by many parties. I am referring to parties on this side of the House, parties on the other side of the House, and those outside of parliament. The time has now come to bring these long labours to fruition by prompt and deliberate consideration of this measure.

The process of law reform, especially in the criminal area, is a step by step one. Further work in all these areas will no doubt occur over the next few years. It is critical, however,

that this process not be sidetracked because no society can afford to have its criminal law out of step with, and hence unresponsive to, the emerging problems which have to be faced.

As I said, as Minister of Justice I have a clear responsibility for submitting to parliament measures which are designed to protect society under the laws. The measure now before this House advances that protection in terms that are consistent with basic Canadian principles of individual freedom. To my mind Bill C-51 is a worthy example of the application of both of these concepts. I believe, as a result of all the discussions, all of the debates, and all of the resolutions that have been moved in this parliament on this subject, that after debate on second reading, and consideration by the Standing Committee on Justice and Legal Affairs, the time has come not to talk about firearms control but to pass laws relating to firearms control.

Some hon. Members: Hear, hear!

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, before I commence my remarks on Bill C-51, I wonder if I might ask the minister one question in reference to the firearms section. Do I take it from reading the bill that the present owners of long guns aside from shotguns, do not have to have a certificate or documentation? I am referring to farmers, ranchers and hunters. There may be ten million or six million owners of those kinds of guns. I have seen two figures. Regardless of how many there are, they would not have to have any certificate or licence in reference to those guns?

Mr. Basford: Mr. Speaker, I think the hon. member has a perfect understanding of that section. His question represents what the proposals are. As far as existing gun owners are concerned, they will not require an acquisition certificate or a licence, which is the word the hon. member used, under these provisions. They will require an acquisition certificate should they decide to buy or acquire an additional firearm. Unless and until they go to acquire an additional firearm, they will not need an acquisition certificate.

Mr. Woolliams: Mr. Speaker, I thank the minister for his answer.

I want to join with the minister in his introductory remarks with regard to the work of the Standing Committee on Justice and Legal Affairs. In the years I have been in the House of Commons, I have sat on most committees. I must say I have always enjoyed my associations with the members of the Liberal party, the government, the members of the New Democratic party, and the members of the Social Credit party and have respected their abilities in committee to be non-partisan and to work together to improve legislation and other matters which come before us.

Often we lawyers are criticized by people who say there are too many of us in politics. I am sure the lawyers who are present today have also heard that remark. Some credit can be given to that profession because we are used to going into courtrooms and taking a certain position for our clients—of course I am prejudiced—but the lawyer on the other side may take another position, and naturally does. It is one commodity which you are selling. Fifty per cent of the time you are always wrong if you are litigating. Thus, you learn to lose, and you love to win. That is part of the confrontation in the dialogue, in the debate which takes place in the House of Commons and also in committee.

I join with the minister in saying that the Chairman of the Standing Committee on Justice and Legal Affairs, the hon. member for Windsor-Walkerville (Mr. MacGuigan), is a very learned scholar in law, a very able chairman and, above all, is a very courteous chairman to people on all sides of the House.

Some hon. Members: Hear, hear!

Mr. Woolliams: I think I have been very truthful.

Before leaving my introduction, I must say that working with the minister has been a great pleasure as far as I am concerned. If I am going to take a certain position, the minister generally knows I will be taking that position, or vice-versa. In that way we are able to come to grips with the subjects which are before parliament in a manner that is concise, precise, and we are able to take apart that portion we are going to criticize and agree on that portion on which we are going to agree.

Mr. Oberle: That is enough of that. Get on with it.

Mr. Woolliams: Sometimes you get heckled by your own party, but I am used to that.

An hon. Member: Start shooting.

Mr. Knowles (Winnipeg North Centre): Now, let us hear from Eldon Woolliams.

Mr. Woolliams: Mr. Speaker, once again we are faced with the deliberate effort to join five distinct, separate parcels of legislation into one omnibus bill. Some of them are new; some of them are merely amendments to the existing Criminal Code.

• (1620)

What bothered me all during the debate on Bill C-83 last session was that we did not get full reporting by the media; the only thing we heard about from the media was the firearms session, which was only one fifth of the bill at that time.

This bill is similar in nature, Mr. Speaker. It deals first, with firearms control, commonly called gun control; secondly, it deals with electronic surveillance, or in other words wiretapping or bugging; thirdly, it deals with dangerous offenders' legislation, formerly known as habitual offenders or habitual criminals; fourthly, it deals with custody and release of inmates under the Parole Act and the Penitentiary Act; and fifthly, the bill revises the Prisons and Reformatories Act. In other words, we really have five pieces of legislation here. It joins together these five parcels of legislation and, in my opinion, this is irresponsible, with great respect, as well as devious and reprehensible. It is done deliberately and purposefully, and, to say the least, is in the incompatible form of

marginal, unrelated amendments which are designed to frustrate parliament, and which always result in delay and holds up the process of parliament.

Therefore, Mr. Speaker, I will be moving an amendment to the motion for second reading, and the amendment will be to the effect that the bill be not read a second time but sent to the justice and legal affairs committee for study. I found that necessary when we dealt last year with Bill C-83, and although there was some question as to the right to move such an amendment at second reading stage, the Chair upheld that particular amendment. It will therefore not be necessary for me at any stage, I hope, to spend time presenting arguments in view of that precedent.

In other words, Mr. Speaker, the Chair directed that, if I were to leave out one phrase, the amendment which I moved to Bill C-83 was in order. Naturally having run the risk once and succeeded, I have followed the exact words of the amendment which was approved by the Chair then, and therefore the Chair will have no difficulty finding my amendment in order.

The purpose of this study will be to have the bill appropriately severed and to show ministers that they cannot in this parliament, as they did in the last parliament with Bill C-83, run roughshod over this institution, its processes and its procedures. Our party fought a long, tiresome and tedious fight not only to have the bill severed, with the support of members of other parties in the opposition, but to have changes made to the gun control legislation. We moved many amendments to Bill C-83; I think at one stage we had 34 amendments lined up. As a result, we can at least say there has been much improvement. In that regard I agree with the minister, and I will have something to say about that a little later this afternoon.

I wish now to zero in on what I consider the most damaging effect of part of this legislation, and in presenting this argument the House will see the reasons why the bill should be severed. This bill, under the heading of "electronic surveillance", makes very substantial amendments to that part of the Code entitled "Invasion of Privacy", known as "Interception of Communications".

Pausing there, Mr. Speaker, it is true that this matter was before the committee on several occasions. Once in 1972 or thereabouts the matter was sent to committee by reference. At that time Mr. Turner was minister of justice, and the only authorization that he wanted to wiretap or to bug was to have the Solicitor General and the Attorney General of Canada merely sign a slip of paper. I took great exception to that and said we should never allow bugging to be authorized without a judge's order. So Mr. Turner repented after speaking to members of the Canadian Bar, who did not like it either.

Mr. Paproski: Then he resigned.

Mr. Woolliams: It was a little later when he resigned and went home. Then the matter came before the committee after what we call the short parliament, and as a result of the efforts of the hon. member for Fundy-Royal (Mr. Fairweather) and the then hon. member for St. Paul's, Mr. Ron Atkey, and with co-operation from the other parties, amendments were made to protect the citizen against erosion of freedom, and for this I think we can take credit.

The minister quoted me, Mr. Speaker, but he quoted me somewhat out of context. I was dealing with the fact that I was at least happy to have part of the act amended. The minister wanted to abolish notice altogether but I did not want it changed. Since then, I might say, I have learned a lot. I suppose a lawyer is always a student. When you share an office with your partner, as I do, and you have communications between solicitor and client being listened to and the Crown admitting those communications as evidence, then you have to take a hard look at the precedents—*stare decisis*, as the minister knows—to see how the court is interpreting this legislation and, above all, how the police are using it. Therefore when the minister quoted my affection for his amendment, it was affection for half an apple, because half an apple when you are hungry is better than no apple at all.

Trial lawyers, professors of various law schools, and learned newspaper writers on the subject—and I particularly want to congratulate the *Globe and Mail*—are well aware of the abuse that the law authorities have been guilty of in the application of the law as it now stands. Therefore when we give law authorities more power, we are assuring the erosion of the freedom and liberty of the subject as to his or her privacy, and are creating a new era of further invasion of privacy, and assuring a greater authoritarian state. That I will oppose.

What are the amendments in question which I challenge, Mr. Speaker? First of all, the granting of an authorization will be extended from 30 days to 60 days, doubling the time for invasion of privacy. That is a 100 per cent gain. Second, the minister wants to abolish absolutely the necessity to give the person who is the object of wiretapping a notice within 90 days that he has been subject to electronic surveillance of some kind—having his phone tapped, his place of residence or office bugged, or his means of transportation.

In regard to written notification to be given, there is an exception under Martin's Criminal Code, 1976, page 118, section 178.23(1), which provides:

> The Attorney General of the province in which the application was made or the Solicitor General of Canada, as the case may be, shall notify in writing within 90 days next following the period for which the authorization was given . . .

Now the period is to be extended to three years, or it could be up to three years. What is going to happen, Mr. Speaker? We were fooled in Bill C-83. The minister was so eloquent when he said that that was one of the greatest pieces of legislation ever to be brought down, but I do not want any member to be fooled today. The minister used much affection and eloquence in telling us today what a great bill we have before us, but what change has been made? Notice can be given up to three years, or within a shorter time. I can say from my experience that when the police draw up the usual order it will always contain the three year clause whenever a lawyer's office is to be bugged. They will then listen in to communications between a lawyer and his client, and a case

will be before the courts long before the lawyer knows that his office is being bugged.

We are not only worried about bugging, Mr. Speaker; we are worried about derivative evidence. By that I mean evidence gathered as a result of listening in either through illegal bugging or legal bugging of which you are unaware. That is where the infringement of the freedom of the subject comes in.

● (1630)

In effect, this amendment means that if the authorities have up to three years to notify the person who has been the object of electronic surveillance, they have in fact abolished the notice altogether, as all orders will likely read that the rights shall exist for three years and no notice will be forthcoming until the last day of the third year, and by that time perhaps the people involved might have passed on to another land.

To make matters worse the courts have ruled under the old act—and this is what concerns me—that the failure to give notice did not make the evidence inadmissible at a trial against a person whose rights are being challenged by the all-powerful state. I want to emphasize that. The courts have ruled—and I will read some cases now—that the fact that they did not give a person notice of electronic surveillance did not make the evidence inadmissible. I attended a seminar of the Canadian Bar Association at which there was a lawyer who gave an excellent academic paper on the subject.

Clause 9(1) of the bill dealing with section 178.13 at pages 47 and 48 and subclause (1.1) are of some help, but even if there is an illegal wiretap against a solicitor in communication with his clients, the judge can still rule that evidence as admissible, for clause 10(2) states that the evidence will be made admissible, with or without authorization notice, if a judge is of the opinion that the communication is relevant to a matter at issue in the proceedings, or there has been merely a defect in form. I might digress and say to the *Hansard* reporters that they have in their hands a copy of what I am saying at the present time, except for the few phrases or sentences that I may add. The judges should not have this discretion, in my opinion, and it has been my experience as a trial lawyer, particularly today, that the judges generally rule and exercise their discretion in favour of the Crown.

Hon. members must remember that the Crown has the money, the Crown can buy the brains. The little citizen who is charged by the Crown can only get what he can afford. For example, in serious murder trials where the plea is insanity and you have to get a psychiatrist, at $5,000 a day the little man cannot afford a psychiatrist.

Now I come to the next part which I do not like with reference to bugging. I refer to the admissibility of derivative evidence. Under the new amendments to section 178.16 of the code, any evidence obtained, either directly or indirectly, as the result of an intercept, regardless of whether the private communication is inadmissible, becomes admissible. In addition, a judge or magistrate may receive in evidence an illegal private communication, if he deems it to be relevant to a matter at issue in the proceedings.

In this particular revision the government has clearly separated from current American trends and appears to have opted for the English tradition of admitting everything and anything that is relevant to an issue. I was told that at the last trial I had in January. There is some difference even from the English tradition. This obstacle having been removed, the Canadian courts will have much greater liberty in this area, and the time consuming deliberations on admissibility noted in certain recent cases will be eliminated.

There are many cases in which it has been held that not only was the evidence admissible but all derivative evidence from wiretaps was ruled admissible. For example, a lawyer might be talking to his client and his client tells him he is charged with a drug offence.

I raised a question today about four boys living together, one of whom had drugs in his suitcase under his bed. He likes a little drag of marijuana before he goes to sleep but, because they are all living together, they are all charged together. The three who may be innocent may call their lawyer and say to him, "We knew the marijuana was under the bed or in the overshoe." Thus the derivative evidence goes in. That becomes pretty difficult for the defence, and pretty difficult to defend the liberty of the subject. It will take more than the eloquence of the Minister of Justice (Mr. Basford) to prove to me and to my friends of the Canadian Bar Association that this is good law.

Some hon. Members: Hear, hear!

Mr. Woolliams: No appeal has yet succeeded in reaching the Supreme Court of Canada. The case of Johnnie Dale McDonald (alias John Adam Dante, John D. McDonald) versus the Queen, an appeal from the British Columbia Court of Appeal, embraced secondary issues concerning the extent to which the Crown may invade solicitor-client privilege, but the court refused leave to appeal on June 29, 1976. Had the appeal succeeded, one question of major interest in regard to wiretapping, that is, privilege under section 178.16(5), might have been resolved.

By an important determination at the provincial appeal level in the Queen versus Violet Rose Douglas the Ontario court of appeal has held that authorizations to intercept at a specific address, naming a specific party, do not cover interceptions of unknown persons at such address, and that transcripts of intercepts must be "word for word" or they are inadmissible. The particular application of this decision was to sections 178.12 and 178.16 of the code. That has been of some help.

In a Saskatchewan case heard early in 1977, the Queen versus Patricia Dawn Trickett, of January 13, 1977, the Saskatchewan district court, Maher, D. C. J.—by the way, may I pause for a moment to say that I graduated with him, so naturally I was quite interested in his decision—it was determined that even though the accused was not named in the wiretap authorization, the intercepted conversation was, in part, with a named person and concerned an offence for which the authorization was granted. In other words, what Jack Maher ruled in that decision in Saskatoon was a little different

from the ruling of the Ontario court of appeal. He has ruled that even though one does not have authorization to listen into the conversation of B, if you only had it for A, you could hook B into the evidence as well. It is unclear how this decision fulfilled the requirements of sections 178.12(e) and 178.13(2)(c) of the code.

One month before the Douglas case noted above, the Ontario court of appeal came to some important conclusions in another case, that of the Queen versus Albert Welsh and Anthony Ianuzzi, of February 10, 1977. Here what were mainly at issue were considerations of conditions precedent in relation to section 178.23(1) of the Code, the so-called notice clause requiring notification of the person who has been under electronic surveillance that he has been the subject of wiretapping. As I said, the code requires notice of 90 days. They ruled in this case, and now we are to have the three year clause, that this did not stop the admissibility of the evidence. I only mention these cases because of what my good friend, the Minister of Justice, had to say with reference to my words, and his having half an apple.

Then there is another case, the Queen versus Wai Ting Li, dated July 28, 1976, British Columbia county court, Spencer, county court judge. It was a case where charges of trafficking had been laid under the Narcotic Control Act.

● (1640)

Mr. Basford: I went to school with him.

Mr. Woolliams: Well, the minister taught him some funny things, judging by these facts. However, this judge was one of the top football players at the school. At a voir dire issues were raised whether wiretap evidence was admissible, in view of the problems of authenticating the recordings, and whether the requirements of section 178.16 as regards admissibility had been met. It was determined that derivative evidence was admissible under that section, a decision resting upon judicial discretion. In other words, the judge had the discretion. In other words, the evidence which is gathered as a result of listening in on an illegal bug becomes evidence against people. I dealt with a situation where three could have been innocent and one guilty, but that all goes into a package. I am not going to read the judgment. I have it here, but I hope I have described it in a succinct fashion.

There was another case, the Queen versus Ju Kong Cheng et al, December 13, 1976. I do not know whether that is a relative of the Minister of Justice or not. It was a British Columbia county court case, and the judge was Judge Wetmore.

It was held that the notice clause was not a condition precedent to admissibility of evidence and that interceptions are lawful for the duration of authorization under the unknown persons clause so long as the person is unknown when the authorization is obtained. That differs from the Hamilton case where they listened in and found that one of the police officers was involved in hanky-panky.

[Mr. Woolliams.]

Without the oral evidence of the peace officer who swore the required affidavit to obtain a wiretapping authorization, the determination of the authenticity of the authorization at a voir dire is thrown upon section 30 of the Canada Evidence Act which requires seven days' notice by the party producing the affidavit to the other parties. It was held that that did not keep the evidence out. I could go on and on, but I shall not. I just emphasize these cases to show that whether it is the Minister of Justice or an official in his department—and I respect his officials—when we draft law, and parliament is considering it, it is subject to interpretation by judges. It is not what we say today in this debate that counts; it is what the judges interpret the words of the statute to mean. That is what often happens, and we often have to amend statutes because appeal courts find weaknesses in laws we pass which are not corrected in the Red Chamber.

In summary, there are five significant changes to the privacy sections of the Criminal Code in the criminal law amendments bill tabled in the House of Commons on April 20, 1977.

First, authorizations to intercept will not be permissible at a lawyer's office or other place where he communicates with clients unless the lawyer, a member of his family, or a member of his office is suspected of being involved in an offence. However, there again I say that under the clause and in view of the cases I have read, that would become a question of discretion for the courts.

Second, authorizations may be granted by a court in relation to any offence punishable by five or more years in prison, including bookmaking, smuggling, and offences related to organized crime.

The authorization period would be extended from 30 to 60 days.

Transcripts of unauthorized intercepts may not be admissible as evidence, but evidence derived from such transcripts would be admissible.

The notice clause will be extended from 90 days to any period not exceeding three years.

Our party has fought a hard fight in reference to human rights, and as the *Globe and Mail* said on May 2, 1977:

> A year ago Mr. Basford wanted to eliminate the need for notification altogether. A howl of outrage went up and last June Mr. Basford recanted by suggesting that the period for notification be up to five years from the end of the wiretap. Now he suggests that it be up to three years.
>
> Nonsense. Ninety days is adequate. Perhaps more than anything else it forces police to use wiretapping in only the most extreme cases and that, after all, is what the law should be aimed at doing.

I mention these facts because of what is developing in various provinces. A man is charged with murder, and there is some question about his emotional stability, whether he is sane or not. Before he has a lawyer he is wheeled into a mental hospital and interviewed by the Crown psychiatrist in order to help the poor fellow out, to find out if he is sane or insane. He is asked if he is under medical care, and he is given drugs. In one case a fellow was given 26 ounces of whiskey to see how he reacted when he was drunk. This came out in cross-examination at the last murder trial with which I was involved. Then

after all that the man was found sane. It was said that after his 26 ounces of whiskey he did not react too badly. It took only three people to hold him down on the floor, but that was not outrageous. This is a fact. This fellow was sent to jail, and then he got a lawyer. However, that was too late. By that time the psychiatrist was not a person in authority. The question of admissibility of evidence did not apply to him, and anything the accused said, whether he was drunk when he said it, or under drugs or under the belief that he needed to tell somebody his problems and get them off his chest, it became evidence.

Worse than that, the defence was ordered to get its own psychiatrist. A Crown witness listened in, wrote a letter to the Crown, and the psychiatrist for the Crown admitted that he based his opinion on whether the man was sane or not on all correspondence. The statement was admitted. With this kind of law the police get more powerful every day. We are living in a different kind of world today. I am not criticizing the police, but the minister says crime is increasing so we have to get tougher and tougher. On the other hand, every once and a while some innocent person gets caught in the web and all this is used against him.

I dealt with a case today in which a fellow was charged with a marijuana offence. His case was thrown out by a magistrate. Then the Crown rushed to a judge to get an order for indictment. The judge asked where the accused was, and the Crown's lawyer said, "I do not want him here because he will interfere with my case". The lawyer for the Crown went to his office and got the minister or his agent—I do not know whether the minister did it personally—to lay a preferred indictment. I did not know we had a double jeopardy clause at work in this country. That is an abdominable process and a bad procedure.

When Mr. Turner first introduced this legislation some years ago, speaking to the Canadian Bar Association he said he thought it was enough just to have the minister sign a wiretapping authorization. Well, we got that changed. The first bill died on the order paper when the 1972 election was called by the government, and when the bill was presented to the short parliament by the minority government, my two good friends, Mr. Ron Atkey, and the hon. member for Fundy-Royal, carried on the fight and managed to get the privacy section amended as it now reads. Now we see the government once again coming forward to amend a good law for which the opposition so ably and intelligently fought. With all its weaknesses it is better than the government is doing now. I do not think all these things should be wrapped up in one bill. I honestly do not know how I am going to vote, but I cannot at this stage or in committee endorse these changes.

This bill should be severed so that this question can be decided by a vote of the House on second reading, so that we are not asked to vote against some legislation we approve of and some of which we emphatically disapprove. I say here that where a statute gives the authority to invade in any way the privacy of an individual and its provisions are not carried out properly, such evidence should be declared inadmissible, not to help the crook but to make sure that the all-powerful state does not erode the freedom and liberty of the little person who must battle for his freedom and liberty against all the odds in favour of the state, armed with money and brains.

● (1650)

To substantiate my argument may I quote from a few authorities to assist the House to see that we are not making a mountain out of a molehill.

Let us consider the approach of Mr. Justice Judson. In giving one of the majority judgments in the Wray case he wrote:

> In my opinion, there is no justification for recognizing the existence of this discretion in these circumstances. This type of evidence has been admissible for almost 200 years. There is no judicial discretion permitting the exclusion of relevant evidence, in this case, highly relevant evidence, on the ground of unfairness to the accused.

He held that if this law is to be changed it must be changed by parliament. We are writing in that some magistrates and judges have that discretion, yet here is a judge of the Supreme Court of Canada saying, "The evidence is there; I cannot do anything about it. I am going to have to put it in."

Mr. Basford: That is not what he says at all.

Mr. Woolliams: I just quoted right from the book. If the minister wants to change the law books, that is fine with me.

Let me contrast that statement with the words of Mr. Justice Brandeis, one of the most fair minded judges who has ever graced the bench of the Supreme Court of the United States. In his famous dissent in the case of Olmstead versus the United States he said:

> Decency, security and liberty alike demand that government officials shall be subjected to the same rules of conduct that are commands to the citizen. In a government of laws, existence of the government will be imperiled if it fails to observe the law scrupulously. Our government is the potent, the omnipresent teacher. For good or ill, it teaches the whole people by its example. Crime is contagious. If the government becomes a lawbreaker, it breeds contempt for law; it invites every man to become a law unto himself, it invites anarchy. To declare that in the administration of the criminal law, the end justifies the means—to declare that the government may commit crimes in order to secure the conviction of a private criminal—would bring terrible retribution. Against that pernicious doctrine this Court should resolutely set its face.

In other words, I do not think evidence illegally obtained should be admitted, because if you allow the police to break the law they will do so.

I do not mean to suggest by referring to an American decision that I am advocating the strict exclusionary doctrine that has developed in that country. In the United States, generally speaking, evidence is not admissible in a court of law that is illegally obtained. The application of this strict rule has led to scandalous abuse. There must be a balance, and I should like to see that balance in our jurisprudence.

Nevertheless, there is a large constituency in and out of our profession which adheres to the belief that the Ontario court of appeal in the Wray case was right—that Privy Council decisions touching the same concerns were right—that Their Lordships Cartwright, Spence and Hall, dissenting in Wray, were right, and that the court must consider factors other than just

relevancy. I quote Mr. Justice Spence, in his dissenting judgment, who said:

I am most strongly of the opinion that it is the duty of every judge to guard against bringing the administration of justice into disrepute. That is a duty which lies upon him constantly and that is a duty which he must always keep firmly in mind. The proper discharge of this duty is one which, in the present day of almost riotous disregard for the administration of justice, is of paramount importance to the continued life of the state.

Unfortunately, few Canadians are aware of the serious ramifications flowing from the Supreme Court decision in the Wray case.

That prospect is frightening enough, but perhaps the most disheartening aspect of the Wray case is that the court's decision has the unintended effect of giving judicial permission to participation by the state in the illegal conduct of policemen. The rule in Wray denies any value other than the search for truth. But I quote Viscount Knight Bruce, who said:

. . . truth, like all the good things, may be loved unwisely, may be pursued too keenly—may cost too much.

But since the Wray case was decided in 1970, neither parliament nor the courts have taken any action to reverse the dangerous precedent that was set, despite the sensible guidelines regarding judicial discretion which have been issued by the Law Reform Commission of Canada.

Indeed, not only has Wray remained as the law of the land, but since 1970 the Supreme Court's ruling has obviously assumed the proportions of a huge umbrella under the shelter of which many of Canada's prosecutors feel impelled to tender as evidence some very questionable items, and the courts are required to condone practices that prior to the Wray case would have been totally unacceptable.

I want to refer now to what has been going on, Mr. Speaker. According to the annual report of the Governor General as it pertains to wiretapping, for the period of 1976-77, 548 authorizations were given under Section 423 of the Criminal Code; 21 authorizations under Section 192 of the Customs Act; 529 authorizations under the Narcotic Control Act; 106 under the Food and Drugs Act; 11 under Section 163 of the Excise Act, and one under 158 of the Excise Act.

Perhaps the most interesting statistic in the report shows that 1,062 persons were arrested whose identity became known to a peace officer as a result of an interception under an authorization. The number of criminal proceedings commenced at the instance of the Attorney General of Canada in which private communications obtained by interception under an authorization were adduced in evidence and the number of such proceedings that resulted in a conviction was 13. That is, criminal proceedings, 13; convictions 13.

I do not know what to think about this, Mr. Speaker. We see that when we give the police too much authority it results in 1,062 arrests.

Now I will turn to something that the minister spent most of his time on, gun control. Many of the amendments we suggested to the House in debate proved true and have been incorporated in the bill. I am thankful for that. It is like a prayer, Mr. Speaker—I am thankful for what I am about to receive. I am happy to say that we have helped bury Bill C-83. The function of the opposition was fulfilled in this case—with excellence.

[Mr. Woolliams.]

Some hon. Members: Hear, hear!

Mr. Woolliams: Take, for example, the clumsy definition of ammunition and the denial of the rights of those who earn their living as trappers and hunters. The rights of the ranchers and farmers were infringed upon but all these things have been corrected somewhat. I could go on ad infinitum, Mr. Speaker. I, personally, and our party caucus prepared more than 30 amendments. Many were accepted, yet on second reading of that bill in the House we were told it was a beautiful piece of work. When it got to committee, however, it was stripped naked. The bill before us is brand new and streamlined, and amendments can also be made to it in committee.

I do not really believe that even this bill will do what all of us want, that is, take firearms out of the hands of criminals. I do not know whether there are six million or 11 million shotguns and rifles in the hands of Canadians now, but whatever the figure is, this bill does not affect them. I can sell my gun or give it to a member of the NDP—

An hon. Member: I do not want it.

Mr. Woolliams: —or even to the minister. How can the transfers be traced? What we have now is really a law for newcomers and a law for oldtimers. That may be better than nothing. I think the minister was being fair in trying to prevent people who have a shotgun and decide they do not like the lady they are living with from rushing down to the hardware store for ammunition to settle things or going out and committing other crimes—I know that is the purpose of this bill. I would be the first to say that that is a good object, but it does not really correct the situation. I do not know how many guns there are. One article I read said 11 million and another, more conservative, said six million. No matter how many guns there are, they will move around society.

I wish to discuss the regulations now, Mr. Speaker. The minister said that he has cut down on regulations. That reminds me of the man who in 1975 raped six women but in 1976 only raped three, so he contended he was better. I am not going to go into them all, but they claim to regulate the handling, storing, advertising, the kind of ammunition, mail order supply, fees, applications for permits, traffic in firearms deemed to be curios—the list goes on and on.

• (1700)

In 1976, 3,326 orders in council were passed, of which 653 were published in the *Gazette*—that is not the Montreal *Gazette* but the Canada *Gazette*. This means that Canadians did not know about 2,673 orders. A former Prime Minister said one should know the law, and as the minister well knows, ignorance of the law is no defence. But how can one know of laws if they are not published, or not promulgated? What is the use of proclaiming the law in the middle of the night, as it were, when you are asleep? Mr. Speaker, as the minister knows, the committee considering Bill C-83 won a battle.

Liberal members of the committee and the chairman agreed that rules and regulations proposed under Bill C-83 should be brought before the House of Commons and subjected to scrutiny. Mr. Speaker, that is the only way to legislate criminal law. In passing such laws, we must be concise and precise. I congratulate the chairman for his position, and I think he agrees with mine.

Mr. Gilbert: He is present in the House.

Mr. Woolliams: The duties of the commissioner are substantial. He will be busy indeed, being responsible for the issuing of permits, dealing with prohibited and restricted weapons and issuing certificates to people who want to buy guns. I do not know how large his staff will be, what the cost will be, or what fees will be charged. Mr. Speaker, one should not enact such provisions by order in council. The criminal law must be precise and concise, as the chairman of the committee said when we studied Bill C-83. Other members of my party will speak on other aspects of the bill, and possibly cover some of the ground I covered in my remarks.

I now deal with the clause which I think it is good to include in the bill and which I hope will do the necessary job. I am speaking of the clause relating to dangerous offenders. In March this year I addressed a question to the Minister of Justice concerning an inmate of an institution who had been released on mandatory parole by right of law. That person had, on several occasions, been charged with raping children aged six and seven. He applied to be released on parole. The Saskatoon parole division was not empowered by law to refuse that parole. The chairman of the Saskatoon parole division wrote a letter to the Calgary parole division about this man who had raped children. This man has lived a life of crime, involving rape and indecent assault, and it was feared that he was capable of killing his next victim. Unfortunately, this man was released in society. He left Saskatoon and came to Calgary, where he was an unwelcome guest.

I have put before the House our position on this bill and have said where we stand on the question of electronic surveillance, or bugging. As I tried to explain carefully, and I argued by referring to case law and precedents, judicial interpretation of electronic surveillance provisions has placed too much power in the hands of those in authority. I tried to show how such power can be abused, to the detriment of the citizens of Canada. We must examine this question as well in committee.

I spoke of the difficulties associated with gun control rules and regulations, and mentioned some of the weaknesses and strengths of the bill. I still remain to be convinced that the bill will prevent a crackpot from acquiring a gun and shooting someone. This is a technical bill, and in order to debate it thoroughly one needs to do a great deal of research.

In conclusion, may I move the amendment which I said at the beginning of my remarks I intended to move. Therefore, seconded by the hon. member for Edmonton Centre (Mr. Paproski), I move:

That all the words after the word 'that' be deleted and the following substituted therefor:

Criminal Code

Bill C-51, an act to amend the Criminal Code, the Customs Tariff, the Parole Act, the Penitentiary Act and the Prisons and Reformatories Act, be not now read a second time but that the subject matter thereof be referred to the Standing Committee on Justice and Legal Affairs.

As reported at page 11636 of *Hansard* for March 9, 1976, a similarly worded motion was proposed. I moved an amendment in similar terms, which Mr. Speaker accepted. If one substitutes Bill C-51 for Bill C-83, the terms of the amendment proposed today and that moved previously become exactly similar.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I am pleased to participate in this debate and I particularly appreciate the remarks initially made by the hon. member for Calgary North (Mr. Woolliams) who threw bouquets in all directions. He congratulated the Minister of Justice (Mr. Basford) on accepting his proposed amendment. For a while I suspected he was preaching for a call. I know the hon. member for Calgary North is secure in his position as a practising lawyer, but I am sure he would make an excellent judge.

Some hon. Members: Hear, hear!

Mr. Leggatt: I was greatly impressed with the erudition of the hon. member for Calgary North and listened with interest to his arguments concerning the wiretap provisions of the bill, arguments he backed with case law. It is refreshing to hear an argument backed with that kind of in-depth research and logic. Too often we deal with such questions on the basis of emotionalism rather than logic. When speaking of wiretapping the hon. member did himself and his party and, indeed, the entire opposition, proud. Later I shall speak in some detail on gun control but for a moment let me deal with wire-tapping.

First let me say that in my remarks I do not intend to reflect on the ruling Mr. Speaker handed down in this House relating to the procedural point which we raised several days ago. Unfortunately our present procedures, which follow parliamentary tradition, do not give members of this House any chance on second reading to distinguish between their support or otherwise of wiretapping and gun control. That procedure is unfortunate, and it seems to me a device must be found beyond that suggested by the Speaker, which simply involves deletion on third reading. We need desperately a proceeding which will apply to the second reading vote, which is most important, in order to enable the public to understand our positions.

Obviously, in terms of gun control, this is a compromise bill. We have half a loaf, which is sometimes better than no loaf at all. But we do not support the wiretap provisions of the bill. We feel as strongly and vigorously as we ever felt that those provisions of the bill are an insidious invasion of the privacy of Canadians. These further extensions of that insidious invasion must be resisted by members of the opposition in the interests of their constituents and in the interests of freedom of the mind, that freedom of the mind which all Canadians cherish.

● (1710)

Why I say that the whole wiretap question becomes one that is insidious and, in a sense, immoral is that in the mind of a

citizen, he must believe he is free. Surely that is one of the things that distinguishes Canada from totalitarian countries. However, you cannot feel you are free if you think you are tapped. You cannot feel free if you do not know whether there is a bug on your telephone. The wiretap amendments that have come down have expanded, not reduced, the areas of the law where wiretap becomes available.

I want to deal very briefly with the report of 1976 to the Solicitor General (Mr. Fox) on the operations of the wiretap law. My understanding is that this does not deal with the many, many wiretaps that go out in terms of provincial attorneys general. These are the wiretaps that have gone out under federal statute only. I do not have the figures for the whole country in terms of province by province, just those that went out by federal statute.

In 1976, 1,224 telephones were tapped. That led to 1,062 arrests, but proceedings against 368 individuals. Of the 1,062 arrested, there were 824 whose names did not appear on the request for authorization. That means they were fishing expeditions. Innocent citizens were subjected to taps on fishing expeditions. That is surely something that we who cherish freedom in this country should oppose.

In 1976, 517 warrants were granted under the Official Secrets Act. The average time of each of those warrants was 241 days. All 614 original applications for wiretapping were granted. There was not a single denial by a judge, yet we have had the police, the law enforcement agencies, lobbying the minister over and over that they should not need to have their requests reviewed before a judge. Here the judiciary has clearly co-operated with law enforcement by turning down none. Only two of the 614 applications had any limitation at all in the terms and conditions attached to those wiretap approvals.

Nine warrants allowed police officers to listen for more than 180 days. What we have had is a rubber stamp provision under the wiretap law.

The minister raised the question of the good feeling in the committee that in fact the provisions for notification have now been reduced from the suggested five years to three years. I agree that consensus was developed around that. However, that argument about a consensus was a nice little carrot that the minister hung in front of the committee.

The key to the wiretap bill is the expansion of the offences. That is the insidious part. Let me give an example of what could happen under the wiretap provisions as they are now proposed.

Clause 7(1) (c) states that an offence mentioned in section 192 of the Customs Act (smuggling) is a wiretap offence. I ask hon. members how many people in their constituencies have ever come across the border with an extra can of beer or a pair of pants under their ordinary pants. Smuggling in Canada has become very widespread. It is a kind of human failing. Let us be realistic about the question of smuggling. A lot of people may take an extra package of cigarettes across the border. A tap can be made for that offence. No judge can deny the authorization to issue the tap. It is a case of "open sesame" to tap everbody the police wish.

Under the offence sections, comprising the guts of the wiretap provisions, it is so broad that there is almost nothing for which the police cannot tap. That is why we in this House must resist to the best of our ability this insidious invasion of the rights of individuals and, more important, the right of Canadians to feel they are free in their own minds so that they can pick up their telephone and have a conversation without thinking they have to be guarded in what they say. We know that happens in countries in eastern Europe and so on, but surely in the kind of democracy we have developed on the North American continent and to a large extent under British and Western European tradition, we should continue to protect the rights of people to feel free in their own minds.

There are other provisions in the wiretap section to which we take exception. The hon. member for Calgary North referred to them. There is no reason why police should be rewarded for illegal conduct. We should support our police in every way. They have a difficult job. However, when they cut a corner, when they do not bother with an authorization from a judge, when they go out on a job with the impression that it is O.K. because it is pretty important that they catch a particular person—I agree that it is important to catch a criminal—that little review process of going to a judge is very important in order to avoid abuses.

As a result of a breach of the wiretap provisions the police obtain illegal evidence. The tape is not admitted in court, but everything they learn from the tape goes into evidence. If that is the case, there will be a law for the police and a law for other people, because they can introduce illegal evidence as a result of illegal activity, but the rest of the population must abide by the law.

That is an unsound principle in our law. I am disappointed that the minister has not yet seen fit to accept what is now common practice in the United States. He has not accepted something that the British Bar Association has looked at very seriously and may very well accept. Instead, he has accepted the hoary old argument that if it is any kind of evidence, no matter where it is from, throw it all in. That reduces the standard of police work.

It is very easy to sit at one end of electronic equipment and listen to people. However, it can be seen from the records introduced by the hon. member for Calgary North and myself that the amount of convictions obtained in that way is almost nil. It is peanuts.

The police should be getting out from behind their earphones on to the street getting good, hard evidence the way policemen always did, through meeting and talking to people and getting informants.

When Ramsey Clark was the attorney general of the United States, he had the best record for getting Mafia convictions. He refused to use wiretapping. Instead of wasting police time, he told the police to get back out on to the streets to see what was happening. He told them not to waste their time listening

to bedroom conversations, something that was quite common in the United States under their law.

The offensive part of this legislation is clearly the wiretap provisions. I am very disappointed that we keep getting this hoary old thing thrown back at us in an omnibus bill, confusing the issue of gun control with wiretapping.

Under the gun control provisions, I said earlier that half a loaf is better than no bread at all.

An hon. Member: It is the apple that was talked about last time.

Mr. Leggatt: You guys have the apples, we eat the bread. In any event, there is obviously a little food in it for all of us.

Under the gun control provisions, we should not proceed further in this debate without saying something about those individuals who fought very hard for the safety of Canadians in terms of gun control legislation. I am thinking particularly of Mr. and Mrs. Slinger whose son died during a very tragic event in Brampton. But they did not sit back and wring their hands. They decided to go to work to protect other people in Canada, to protect other sons.

• (1720)

I think of Maggie Burtinshaw of British Columbia who faced a severe personal tragedy when her son died. She did not sit back and wring her hands. She went out and did as a good citizen should. She went out and worked for a change in the law. Now, this change in the law may not go as far as Maggie Burtinshaw and others may wish, but I have to admit that it does go a significant distance toward curing what has been a major fault under our criminal law, that is, failure to reduce what we can call preventable homicide in cases where you can predict the behaviour of an individual who is unable to control his own emotions. The measure before us does provide a review process by requiring him to obtain a firearms certificate.

Sometimes statistics are dry, but on this occasion they tell an interesting story. Forty-six percent of all murders committed in Canada are domestic murders. The gun control lobbyists always maintain that you will never take the guns away from the criminals. But a criminal is not a guy who runs around the streets with a big "C" on his forehead so that he can be identified. There are a lot of criminals who are first offenders—they were not criminals until they committed an offence. And they are people just like you and me who have lost control of themselves. Those people are certainly involved in 46 per cent of the domestic homicides in Canada. In some 44 per cent of those cases the agent of death is a firearm, and 72 per cent of those firearms are rifles. These are hard statistics which we cannot avoid considering carefully.

The last statistic of importance is one which shows that in the United States 54 per cent of the homicides involve the use of the handgun, not the rifle. Almost the reverse situation occurs in Canada. In this country in only 10.4 per cent of cases is the agent of death a handgun. Therefore the gun control system we have used in Canada to date in terms of handguns has, in my view, significantly reduced the number of Canadian homicides in the area of handguns.

Mr. Dionne (Northumberland-Miramichi): What is the percentage of homicides?

Mr. Leggatt: The percentage of homicides where the handgun is used as the agent of death in the United States is 54 per cent, and in Canada it is only 10.4 per cent. In Canada we have a very strict handgun law and in the United States they have very poor handgun laws.

My argument is that gun control provisions, contrary to the argument advanced by the hon. member for Calgary North, do have a significant effect on reducing homicide right across the country. That is the reason I welcome this half loaf which is presented in terms of a firearms bill, and I think the hon. member for Calgary North may also welcome it, even if for different reasons.

When we get to the positive aspects of the measure before us I would agree that the efforts made by the hon. member for Calgary North and others in the committee to take away the guarantor provision were a positive step. Eliminating it did, in fact, reduce an unnecessary elitism in the system by which you had to know somebody important in order to get a licence. I agree it was desirable to remove that proposal.

Establishing the cost of the firearms certificate at $2 per year is something about which nobody can reasonably complain. Specific examples of preventable homicide are numerous. I shall not bore the House with many of them. These are headlines: October 23, 1976, "Bought Gun for Protection; Man Shoots Son by Mistake." "Lethbridge—Boy's Purchase of Rifle Leads to Homicide." September 12, 1974, "Children Watched as Mother Gunned Down by Commonlaw Husband." These were preventable homicides. They were cases where the conduct of the murderer was predictable because he had previously indicated the presence of mental disorder, or had a record of previous criminal activity. In those kinds of homicides the provisions contained in the bill are significant.

But what the bill fails to deal with is the six million rifles which are still out there in the hands of a few unstable people—a very minor percentage. One of the things we will get to, because of the provisions of the bill, in about 50 years is the reduction of the proliferation of firearms. Under the provisions of the bill you cannot transfer a rifle and you cannot sell your rifle unless the person you are transferring it to has a firearms certificate. Therefore the effect of these provisions will be to bring the licensing system to bear, and ultimately there will be a reduction in the number of emotionally unstable individuals who have access to firearms.

Competency training is useful but it does not provide an emotional test. In fact training someone to shoot straight may lead to a murder rather than to a wounding. Competency training is no answer to the question of gun control. However, I do not intend to criticize competency training. I think it is useful that a person know how to handle his weapons, and it should certainly reduce the number of negligent homicides which could occur during a foray into the forest.

I do, however, wish to deal with a key weakness in the bill which deserves examination when the measure goes to committee. I am referring to the provision dealing with mental disorders. We are in a position of risking a computer bank which will have information about everybody in the country in terms of where they were treated and what happened to them mentally. That is something to which I object as strenuously as I object to the wiretapping provisions. We do not want Big Brother to fill that computer full of information about private mental histories of people in Canada.

I urge the minister to be sure that when the applications for the firearms certificates are made up there is a question concerning whether the applicant has been treated for a mental disorder. Second, if the answer is yes, there must be a question concerning where and by whom the applicant was treated. Last, there must be a consent form in the application so that the firearms licensing officer has a full opportunity to investigate the information contained on the application. I do not know what the minister has in mind, but if the purpose of that section is to put mental hospital computer data in the possession of those not otherwise authorized to receive it, then I object to that practice as strenuously as I did to electronic invasion of privacy. It is another serious invasion of the right of Canadians to privacy. But I will say this: when a person applies for a firearms permit he is asking not for a right but for a privilege, and should consent to a search of the records being undertaken so that whoever issues a licence may know it is not being given to an unsuitable person. I agree with this in principle, although how it will work out in practice is, to say the least, uncertain.

The minister referred to a Gallup poll dealing with the way Canadians feel about gun control. He pointed out, I think, that 85 per cent were in favour of some form of gun control measures. What he did not tell us was that this 85 per cent approved Bill C-83 and the principles underlying it. In fact, that 85 per cent was not answering a question about new purchasers of weapons; it was answering a question about registration in terms of the whole ballgame.

An hon. Member: The words "newly acquired" were in that questionnaire.

• (1730)

Mr. Leggatt: I would not want to mislead the House. The minister can correct the statement he made, or if I am in error I would be happy to be corrected. My understanding was that the Gallup poll he referred to dealt with the general licensing of firearm owners and not newly acquired weapons.

The Acting Speaker (Mr. Ethier): Order, please. Before recognizing the hon. minister, I am required to seek the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Basford: Mr. Speaker, I would like to read the question to which I referred. "Would you favour or oppose a law which would require a person to obtain a police permit before he or she could buy a gun?" That was my question.

Mr. Leggatt: Mr. Speaker, I am not sure whether that clarifies the situation with respect to existing rifle owners. It is a rather ambiguous question. It should have specified whether it was referring to a first time purchaser of a gun obtaining a firearm certificate.

Leaving that aside, not only that poll but every Gallup poll I have seen indicates a broad cross section of support in Canada for the licensing of all persons who own something as innately dangerous as a rifle, and not just new firearm purchasers. I support that position, and I have to agree that the bill has made a significant step in the direction of control. If we wait 50 years, 60 years or 70 years, by attrition the proliferation of rifles in the population amongst those who should not have them will be reduced through old age and through sales. In terms of this party's position, this is not the kind of legislation that we would adopt. At the same time, it is a step forward. I do not believe this legislation should be obstructed to the point where it is withdrawn, or to the point where it dies on the order paper.

I know how nervous the government is about gun lobbies. I would be worried if we went through the same exercise again and the minister had some more delegations from FARO and some of the other groups, and arrived at a decision that even this was more than the Canadian public or the gun lobby was willing to accept. I am hopeful the minister will stay firm with what he has. I have heard very little from the shooting sportsmen and the gun clubs in opposition. They have been remarkably quiet. Therefore we can congratulate the minister for putting out the fire. This bill is not what the majority of the Canadian public would have supported.

Mr. Woolliams: Gun club members do not know about it.

Mr. Leggatt: It is time we had this bill passed. I appreciate the motion the hon. member for Calgary North has made. He is as concerned as I am, and many of us are, with splitting the legislation so that our thoughts can be known. I have reservations in supporting the particular amendment that was moved, since it is an attempt to refer the subject matter to committee. If we get into further legislative delays, I am afraid gun control will die on the order paper once again. I refuse to be a dog in the manger on this subject. We need gun control in Canada.

Some hon. Members: Hear, hear!

Mr. Leggatt: The minister has made a significant step forward. Therefore I want to say the minister has my support. Unfortunately I am not in a position to vote against wiretapping at the same time; but I am sure the minister will understand why I am supporting the bill.

The Acting Speaker (Mr. Ethier): Order, please. Is the House ready for the question?

Mr. Woolliams: No, no yet.

The Acting Speaker (Mr. Ethier): The question is therefore on the amendment of Mr. Woolliams, seconded by Mr. Paproski—

Mr. Woolliams: On a point of order—

The Acting Speaker (Mr. Ethier): The hon. member for Calgary North (Mr. Woolliams) on a point of order.

Mr. Woolliams: Mr. Speaker, our House leader was called out of the Chamber for a minute. He is now ready to speak.

The Acting Speaker (Mr. Ethier): The hon. member for Provencher (Mr. Epp) on a point of order.

Mr. Epp: Mr. Speaker, I was rising on the same point of order as that raised by the hon. member for Calgary North (Mr. Woolliams).

The Acting Speaker (Mr. Ethier): Order, please. I now understand what the hon. member for Calgary North said. I was, perhaps, a little hasty in starting to put the amendment. I saw no one rise and therefore concluded that the House was ready for the question. The hon. member for Grenville-Carleton (Mr. Baker).

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in beginning my speech this afternoon there are some observations I would like to make with respect to this bill, and the subject matter of this bill, which has had such a checkered career in this parliament.

In view of what the legislation says with respect to firearms control, I am greatly surprised by the fact the minister devoted so much time, out of the time allotted to him, in the course of his speech to that particular provision in the bill. As the hon. member for Calgary North (Mr. Woolliams) said, there was a tremendous parliamentary battle fought over that earlier.

I want to join with the hon. member for Calgary North in supporting the purpose of the amendment which he has put. I think it is a wrong parliamentary practice. I argued the case on a point of order the other night in another matter. We place in the legislation that comes before us so many sections dealing with different aspects that, as the hon. member for New Westminister (Mr. Leggatt) said the other evening, one may feel that he or she should vote nay to the entire bill. One may feel that he or she should vote nay because there is a difficulty with a group of sections, and yet be bound to vote yea, or be perceived to vote yea.

It is a blot on our legislative process that we have come to a point where that procedure is acceptable. It has been upheld by the Speaker on the basis of precedent that various aspects of a subject matter, or even unrelated subject matters, or even subject matters with respect to different statutes, can be dealt with in the same bill. The result of all of this is that it makes it difficult for members of parliament to be accountable. By the votes they cast, I believe it tends to prolong parliamentary debate that must follow, because members of parliament feel they must explain themselves with respect to their votes on account of the difficulties of misconstruction—

Mr. Blais: On a point of order, Mr. Speaker, I have been listening to the hon. gentleman from Grenville-Carleton with a great deal of interest. He is coming very, very close to casting aspersions on a judgment of the Chair made earlier this afternoon, by referring to a matter that has been dealt with by the Chair and that the Chair has decided upon. The decision of the Chair was made pursuant to precedents set by Hon. Lucien Lamoureux, the predecessor of the present occupant of the chair. I hope that the hon. gentleman is very careful not to impugn the motives, or indeed the judgment, of the Chair in these matters.

• (1740)

The Acting Speaker (Mr. Ethier): Order. The Chair was quite attentive to the remarks of the hon. member and I think he was relating his remarks to the reason why he was supporting the amendment put forward by the hon. member for Calgary North (Mr. Woolliams). The hon. member for Grenville-Carleton has the floor.

Mr. Baker (Grenville-Carleton): Thank you, Mr. Speaker. I want to thank the Postmaster General (Mr. Blais) for his interjection because it demonstrates to the House and to the country that while he was sitting in his seat he was asleep. The hon. gentleman is so quick to interject. Had he been listening he would know that I was not casting any aspersions on the Chair, or on the previous occupant of the chair. What I was saying was that it was unfortunate that the Chair was bound by precedent, a precedent in a matter which makes it difficult, on the one hand, for the public to understand, and on the other hand for parliamentarians to explain their actions in terms of votes and accounting for those votes.

Surely, Mr. Speaker, an observation of that nature is not a reflection on the Chair; it is a reflection on an unfortunate precedent which the Chair must follow in these circumstances. I take second place to no member of the House in regard to the respect which I show the Chair. I have to confess that from time to time I disagree with decisions of the Chair, but I am as aware as anyone of the position the Chair is in under our rules, the fact that there is no appeal from its rulings. This places a great responsibility on the Chair, and because of this my respect for the Chair is increased. I think it does not advance the debate in any way for the Postmaster General to rise in his place and show what is in fact a bona fide disrespect for the Chair by intervening the way he did, by asking the Chair to intervene by raising a spurious point of order.

Perhaps because of our complex legislative process or because we tend in modern society today to intervene to a greater and greater extent in the lives of individuals, this parliament is busier than ever, which means it is necessary for more and more provisions to be packed into fewer and fewer bills. That may be the case, or there may be a thousand explanations. It may be, as the deputy opposition whip said, a matter of some cunning on the part of the government, which I suspect might be the case. But whatever the reason, it is unfortunate that this is deemed to be acceptable parliamentary practice.

The fact of the matter, as the hon. member for New Westminster and the hon. member for Calgary North have said, is that this bill is perhaps the best example of how this sort of thing can occur. First of all, part of the bill deals with firearms legislation. Then it goes on to deal with electronic surveillance. Then the bill deals with amendments affecting dangerous offenders' legislation. Then it deals with the custody and release of inmates. Finally it deals with revision of the Prisons and Reformatories Act.

That is quite a formidable package of criminal law. A member of parliament may feel very strongly about one part of the bill as proposed by the government but not so strongly about another part. He may agree with one part of the bill and disagree with another. Each of those sections of the legislation could stand on its own merits, but when a member of parliament is ultimately forced to take a position, he votes perhaps in favour when in fact his point of view might have been completely different. He is then left to explain himself. Indeed, the legislative process is left to explain itself. Parliament becomes less understandable and there is even the chance of an attack on the relevancy of parliament. Some people are prone to attack the relevancy of parliament from time to time, and this process assists and aids it. That is why the bill is an unfortunate one in terms of its form—I will deal with the substance of the bill in a few moments—as well as in terms of the legislative process.

There is no doubt that there have been incidents involving the use of firearms. There is also no doubt that it is legitimate for parliament to intervene in this regard. It has been questioned whether or not, by means of this bill, we are setting up two classes of people who own firearms, those who own them now and those who may acquire them hereafter. Certainly in committee we will have to consider the validity of that concept.

I am satisfied that what the government intends in this bill is to see to it that over a long period of time firearms which are presently owned by people are gradually phased out, say over a period of 20 years. I would be very interested to hear, when the minister sums up, whether that is his point of view, that there will be a gradual phasing out of firearms presently in existence, and that as new firearms are purchased they will be made subject to licensing. If that is the philosophy in this bill, I should certainly like to have it explained in committee.

The new bill does away with a number of things which were obnoxious to a number of well intentioned people in Canada. I received tons of mail on the last bill, and there may be a significant amount of mail come in on this bill too. But I think one can say of the existing bill that there is a fundamental difference in the classes of person to whom it will apply.

Those who felt that the government should have taken a strong position on gun control regard this bill as a capitulation. I suppose that many of those who were upset by the position taken by the government last time, and who felt the legislation was too strong, on reflection will look at this bill and say there has been quite a considerable change.

Another part of the bill which concerns me as a citizen in a free society is the part which deals with electronic surveillance.

These provisions are so great an advance in terms of the power and authority of the state, as embodied in the approach and philosophy of the government in regard to electronic surveillance, that as a citizen and a lawyer I am concerned.

● (1750)

I do not see at this point any demonstration being made by the government in the application and use of the existing electronic surveillance provisions that could so move the Minister of Justice, who is responsible for some balance in the government's approach to legal affairs and the law of the country, to suggest that we should abandon to a greater and greater degree our regard for civil rights, for the freedom of the individual in our society, and for what has been held to be part of the rule of law in this country for many years.

If it could be demonstrated to me that the administration of justice and the exercise of the police authority found itself in a society which was deteriorating so that the only way that one could preserve law, order and justice was to extend the already extensive powers in the Criminal Code to the point suggested by the Attorney General, then I would be bound to say that this country was indeed in a bad shape and that the police authorities needed these new powers. The idea of being able through the electronic surveillance devices, without notice, to shadow someone on a mere suspicion, is repugnant to me, and I think it should be repugnant to anyone who reflects on this bill.

I think there is a duty on the government, whether it does it in the course of this debate when we discuss the principle of the bill or in the committee to which this bill will be referred, to show that the situation in Canada is deteriorating, that the police cannot operate under the existing sections, that the power that has been given to the police is not sufficient. I suggest that on the basis of the statistical evidence that was quoted in the report of the governor in council with respect to the use of electronic surveillance, and the new sections that were put on the record and alluded to by the hon. member for Calgary North, exactly the reverse is demonstrated, that the powers that presently exist are potent ones, that a police officer, properly instructed and properly operating within the laws that exist now, has a power which he never had before, the potential of which has not yet been tested. Unless it is demonstrated otherwise, unless it can be shown that the administration of justice will fail, that the police and the power of the state will not operate and that the public interest will not be protected, the Government of Canada should not ask this parliament to give to the police an extension of the powers which they seek.

It is important that we consider fully and fairly what is being sought. While the debate on Bill C-83 was overshadowed by the public outcry on gun control, whether justified or not, we ought not to let the capitulation—if that is what it can be called, put any label on it that you want—with respect to gun control, to allow us to breathe a sigh of relief in the House that all is well, that the government has finally moved in the way the people want, and let this bill slide through and forget about

it because it does not really affect us at all. It does affect us, it affects us very badly, and on reflection I think that when the people of Canada view this bill and consider it in terms of the use of the new devices of electronic surveillance, the extension of the use, the lack of notice, and the power that is given to the police in an extended way, they will be asking the government some questions. There is a duty on the government to explain why it asks this parliament to extend those powers.

I hope there will be some speakers on the government side who will, for once, not sit mute and not acquiesce in whatever the minister says is all right, who will rise in their places and, on the basis of some evidence that they can present to the House during the course of this debate, tell us what has happened in the country that we have to place in the hands of the police, however well intentioned they may be, the power to intrude on our civil rights. I hope they will tell us why it has been necessary to take cognizance of the cases that were brought forward by the hon. member for Calgary North. The hon. member indicated that if the law is not followed—the law that this parliament dealt with—then the evidence that has been procured as a result of the law not being followed is still admitted in a court of law.

I think parliament has to take a look at that kind of question that has not been answered. I think the hon. member for Calgary North has done the House and the people of the country a great service by putting on the record the number of cases that have come to his attention and are likely to continue unless we, in the course of the discussions on this bill, review it carefully and decide whether or not circumstances have deteriorated to the extent that police should have these powers. My suggestion is that they cannot.

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

The Acting Speaker (Mr. Ethier): It being six o'clock, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 12, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PENITENTIARIES

APPROVAL FOR LOCATING NEW INSTITUTION IN SELKIRK, MANITOBA—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. This will be of particular interest to the hon. member for St. Boniface (Mr. Guay). In light of the results of yesterday's referendum in Selkirk regarding the establishment of a federal maximum penitentiary, the results of which were 1,711 in favour, 974 opposed, a two to one ratio in support of locating the new penitentiary in that town, I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That the Solicitor General move quickly and decisively to locate the new Manitoba federal maximum security penitentiary in Selkirk, and that this decision be communicated immediately to mayor Lloyd Wersch and the council of Selkirk.

Mr. Speaker: The presentation of such a motion pursuant to Standing Order 43 can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

SUGGESTED REFUSAL OF INCREASE IN WELLHEAD PRICE OF OIL—MOTION UNDER S.O. 43

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I rise on a matter of urgent and pressing necessity arising out of the fact that the energy ministers' conference of yesterday has resulted in an agreement to raise the wellhead price of oil by another $2 a barrel. In light of the fact that officials of the Department of Energy, Mines and Resources have produced figures showing that the result of such a price increase on the economy would be a rise in the consumer price index of two per cent and an increase of nearly half a percentage point in the unemployment rate, resulting in the loss of 42,000 potential jobs, and in light of the fact that this price increase announcement comes at a time when the most recent labour force figures show a rate of unemployment already at a record 8.3 per cent and the most recent consumer price figures show an annual rate of increase of over 11 per cent, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

● (1410)

That this House instruct the government to refuse any increase in the wellhead price of oil within the foreseeable future on the grounds of its disastrous effect on an already weak economy.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House for the presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AGRICULTURE

SUGGESTED MEASURES TO GIVE JUSTICE TO INDUSTRIAL MILK PRODUCERS—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to raise a question of pressing necessity.

Since the Quebec Federation of Raw Milk Producers are objecting to the request of the federal government for a 25 cents contribution per hundredweight of milk under the pretext that this request announced in the recent dairy policy is unconstitutional, while those raw milk producers consider that it is quite constitutional to receive a gross subsidy of $2.66 per hundredweight exclusive of their quota for their production, and especially since they have gained 25 per cent of the quotas for manufacturing milk producers against whom a 20 per cent penalty was levied last year, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That the House immediately suggest that the Minister of Agriculture take the necessary steps, through the organizations involved, to state once and for all in all fairness to manufacturing milk producers that if the constitution allows subsidies to producers, it also allows to withdraw or amend them and to table in the House a thorough report on this matter in the shortest possible time.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Energy

HOUSING

MONTREAL—SUGGESTION FUNDS BE USED FOR CONSTRUCTION PROJECTS TO ALLEVIATE UNEMPLOYMENT—MOTION UNDER S.O. 43

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of the House to discuss an urgent and important matter.

Since 40 per cent of construction workers are unemployed in Montreal and considering that the housing sector in that area has reached a critical point and that it is urgent to find solutions, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the government grant as soon as possible the funds available for the Montreal region to undertake public works and urban renovations, in order to relieve the unemployment which affects that area.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

ENERGY

REQUEST FOR MORE RIGOROUS SAFETY STANDARDS FOR OFFSHORE DRILLING—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise on a matter of urgent and pressing necessity. In view of the fact that the Organization for Economic Co-operation and Development just recently released a report recommending the establishment of minimum training standards for workers on offshore oil platforms and requested the member countries of OECD to ensure the best possible safety standards are applied on offshore rigs to prevent injuries and oil spills, and in view of the fact that there have been 80 deaths in connection with attempts to retrieve oil from the North Sea and that the potential for such may be high in the Beaufort Sea, I move, seconded by the hon. member for Northwest Territories (Mr. Firth):

That Canada immediately take a lead in establishing more rigorous standards and support early actions on this important OECD recommendation.

Mr. Speaker: Pursuant to Standing Order 43 the presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

MEASURES TO CONTROL INFLATION AND DEAL WITH UNEMPLOYMENT—POSSIBILITY OF NEW METHODS OF FORECASTING

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, this week once more Canadians have been informed of record unemployment and record inflation levels. The consumer price index released today shows a year-end inflation rate from April 1976 to April 1977 of 7.6 per cent. The Minister of Finance said one and one-half months ago that the government would meet the 6 per cent annual inflation guideline. Two weeks ago he upped it to 7 per cent, and with today's announcement we see that for the first four months of 1977 Canadians are faced with an annual inflation rate now of 11 per cent. In view of the absolute bankruptcy of government policies, what new measures, if any, can the Canadian people and this House expect from the government? Will the government now abandon its inflation rate forecasting procedures which are obviously beyond a joke.

Hon. Jean Chrétien (Acting Prime Minister): Mr. Speaker, I saw the report on the price increase. We still think that the goal set by the hon. Minister of Finance will be met by the end of the year.

Mr. Grafftey: Mr. Speaker, may I put a further supplementary question to the minister. In so far as the minister announced a target of 6 per cent a month and a half ago, then two weeks ago it was 7 per cent and now it is 11 per cent, may I ask the minister how he can make such a statement and can he inform the House that the government will now abandon its forecasting procedures and announce new methods?

Mr. Chrétien: Mr. Speaker, if you look carefully at the statistics published today you can see a trend that will lead to the goal set by the Minister of Finance.

* * *

CONSUMER AFFAIRS

DATE OF ANNOUNCEMENT OF NATIONAL FOOD POLICY

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I have a further supplementary question and it is for the Minister of Consumer and Corporate Affairs. Since the figures announced today largely involve an excessive increase in food prices with terrible effects on the many people unemployed and low-income Canadians, may I ask when the minister intends to announce to the House a precise and coordinated national food program?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, as the hon. member correctly identifies, a large part of the increase was occasioned by an increase in food prices but a large part of that increase was occasioned by

the importation of foodstuffs from abroad that are beyond our control.

Mr. Munro (Esquimalt-Saanich): Like wheat and puffed rice.

Mr. Abbott: The government is continuing to work toward the preparation of a national food strategy, an effort that I strongly endorse.

* * *

ENERGY

MEASURES TO ESTABLISH NATIONAL CONSERVATION PROGRAM

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The increase in gasoline and heating oil prices comes at a time when the annual rate of inflation this year is up to 11.4 per cent. The minister has rationalized the increase in oil and gas prices as a means of encouraging energy conservation and exploration. These price increases are only acceptable if there is an effective conservation and exploration program. In view of the fact that the International Energy Agency has said that our achievements in conservation are below average, may I ask if the minister is now going to create a truly effective national conservation program for energy and if so, how does he plan to do it?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I have taken a look at what the International Energy Agency had to say about our efforts, particularly in the area of conservation. They have given us a great deal of credit for the initiatives we have taken in energy conservation but they have been critical in one area and that is with respect to our prices. They said that Canada had been holding down prices for too long below international price levels and they strongly urged that Canada should increase its prices. I would say that the view of the majority of ministers yesterday that we should raise our prices in orderly steps, is very much the view of the International Energy Agency.

Mr. Crosbie: Mr. Speaker, a final supplementary question. At the meeting yesterday I believe the minister suggested he is going to do something to expand the energy conservation home insulation program from the provinces of Nova Scotia and Prince Edward Island to the rest of the country and this would be an effective step. Would the minister tell the House what other effective steps he might take and how does he explain, if he has an effective conservation program, now, that the chief of the office of energy conservation, Mr. David Brooks, resigned on the grounds of a dispute about conservation policy, describing the minister's policies as minimal? How does the minister explain that? This is a man on the scene in Canada and not some international agency.

Mr. Gillespie: Mr. Speaker, as the hon. member knows, Dr. David Brooks has served my department and Canadians extremely well.

Mr. Hnatyshyn: He continues to do so.

Mr. Gillespie: I want to make it quite clear that I wish him well with the work he has chosen to do. In making a change as he has at this time, after a year's sabbatical granted to him a year ago to consider other options and career opportunities and where he would like to place his efforts, he has chosen a path that will undoubtedly be of advantage to Canadians. I wish him very well.

● (1420)

Mr. Crosbie: My question to the minister is this, Mr. Speaker. Mr. Brooks explained that he left the federal government because of a disagreement with the minister's department over conservation and he called the conservation policy minimal. We all wish the gentleman well in his next career, but can the minister answer his statement to the effect that the minister's policy is minimal, and what is the minister going to do about that?

Mr. Gillespie: Mr. Speaker, I think if the hon. member were to check he would find that Dr. David Brooks was misquoted.

EFFECT OF INCREASED PRICE FOR OIL ON COST OF LIVING—GOVERNMENT ACTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources regarding the minister's announcement that the price of crude oil will rise $2 per barrel during the next 12 months. Since federal government studies show that a $2 per barrel increase will result in a 2 per cent increase in the cost of living, a 1.2 per cent decline in the gross national product and the potential loss of 42,000 jobs, I ask if these facts were taken into consideration when the federal government decided to approve the $2 per barrel increase? If so, will the minister tell the House if the government has considered that the plight of wage and salary earners in this country, who are restricted under the AIB to a 6 per cent pay increase and who now face an 11 per cent increase in the cost of living, will be further aggravated by the $2 per barrel increase in the price of oil? What does the government propose to do about the fact that this represents a reduction in the net incomes of millions of Canadian workers in Canada?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I do not accept the hon. member's figures at all. Frankly, I think there are serious errors in his figures.

Mr. Rodriguez: What are the minister's figures?

Mr. Gillespie: The point which the hon. member, and I hope other Canadians, should recognize is that we would be derelict in our duty if we did not consider the long-term needs of

Canadians for future energy supplies, and the importance of energy conservation. Energy ministers yesterday addressed themselves to that question and overwhelmingly—I include in that the majority of the consuming provinces as well as the producing provinces—they felt it was in Canada's interest that we should move our price up, because any other policy would have disastrous consequences for Canadians in the future.

OIL—ALLEGATION COMPANIES SPENDING LESS ON EXPLORATION WHILE RECEIVING HIGHER PRICES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. The figures I quoted were given to a meeting of federal and provincial officials on March 4, 1976, and were quoted at the meeting of ministers over which the present Minister of Energy, Mines and Resources presided on March 5, 1976. The minister should be familiar with the figures of his own department. I ask the minister a question arising from a statement he has made repeatedly inside and outside the House, that these price increases are necessary in order to secure exploration and development. In the light of that, how can he explain that this country's petroleum industry in 1976, according to his own department's figures, when the price of oil was $9 a barrel, used 52 per cent of its internally generated cash flow for exploration, whereas in 1971, when the price of oil was only $3 per barrel, the industry invested 61.7 per cent of its cash flow in exploration. Will the minister explain why, despite the billions of dollars Canadian consumers have paid the petroleum company, that industry is spending a smaller percentage of its cash flow on exploration and development, therefore nullifying completely the minister's argument that higher prices will accelerate exploration in this country?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member is being extremely selective with his figures; I suppose we should not be surprised. But if he would look at the next year, 1972, which was also a year before the increase of international prices and the start of the rise of Canadian prices, he would find that the percentages for 1976 which he quoted at 52 per cent, were higher than those in 1972. The hon. member has been selective in taking a particular year which best illustrates his particular case. I suggest to him that he look over the whole five year period. He would see that there is an increasing trend on the part of the oil industry toward exploration and development.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister if he is satisfied that the additional cash flow which the oil industry has received from the steady increase in the price of oil is only 52 per cent. May I ask him what percentage of the oil companies, internally generated cash flow ought to be used for exploration and development. What is the percentage? Will the minister tell us what the goal is that the federal government has set or is he leaving that matter entirely to the discretion of the oil companies?

[Mr. Gillespie.]

Mr. Gillespie: Mr. Speaker, the hon. member should also acknowledge there are other calls on the internally generated funds such as increases in working capital during an inflationary period and other capital expenditures which produce jobs for Canadians right across the country. The hon. member has not acknowledged this. If he were to acknowledge this, he would be able to state that a much larger proportion than the proportion he mentioned has been devoted to these capital projects. I say to him that I hope to see that particular trend increase for some years to come.

* * *

[*Translation*]

AGRICULTURE

RESULTS OF MEETING WITH PROVINCES ON INDUSTRIAL MILK QUOTAS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Agriculture of which I gave him a copy.

Can the minister tell the House about the results of the meeting he had with the supply management committee and the provincial Ministers of Agriculture which he mentioned in reply to my question of Tuesday last concerning manufacturing milk producers' provincial quotas for the 1977-78 production?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we had a lengthy discussion. Two provincial governments or their milk marketing boards have made a decision that they will participate in the program. The others have not. Some wanted longer to consider. Some took a strong stand toward participating in our program in the way we had suggested to them. We said if there was any other way they could come up with an equitable method of finding a way to pay on all class one milk, we would accept that, and that they had until the first week of June to do it.

[*Translation*]

INQUIRY WHETHER JUSTICE WILL BE GIVEN QUEBEC INDUSTRIAL MILK PRODUCERS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, on a supplementary.

Can the minister tell us whether the people he met, who represent the manufacturing milk producers for the year 1977-78, are willing to recognize the problem of equity towards the Quebec manufacturing milk producers, whether that problem can be solved and whether government has the power, through the bodies involved, to demand that justice be done to those producers?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the provincial minister of agriculture for Quebec did not attend the meeting yesterday. One of his representatives was

there. He sent the message that he thought what we were suggesting appeared to be fair. However, there is no way that I, as federal Minister of Agriculture, can deal with the inequity of quotas and so on, which may be as the hon. member has intimated, and tell the provinces how its quota should be administered.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, on a final supplementary.

Can the minister tell us whether the special envoy of the Quebec government is aware of the problem, whether he takes seriously the problem facing our manufacturing milk producers who have been wrongfully denied 25 per cent of their raw milk quotas in some provinces?

● (1430)

[*English*]

Mr. Whelan: The representative sent by the government of Quebec is very familiar with all aspects of the dairy industry. He is one of their top civil servants and he has attended many meetings in Ottawa in the past.

* * *

FINANCE

REASON CHARTERED BANKS DELAYED LOWERING INTEREST RATES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is directed to the Acting Prime Minister. Has the government received an explanation from the chartered banks as to why they have chosen to delay lowering their prime lending rate until June 1 when the Bank of Canada obviously hoped for an immediate reduction in interest rates when it made its announcement last Friday. If such an explanation has been received, would the hon. gentleman inform the House as to its nature? I ask this, bearing in mind that every day's delay in lowering the rate by even half a point means that an extra one million dollars at least is being charged to Canadian borrowers.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I noted the article on which the hon. member bases his question. I have looked into the matter and it appears that some banks did respond immediately by lowering their rates but that others did not. I am disappointed that the banks did not respond more immediately to the change in monetary policy indicated by the governor. I expressed my disappointment to the governor and I expect that he will convey our views, and the views of hon. members expressed here, to the banks.

Some hon. Members: Hear, hear!

Mr. Stevens: The answer just given by the Parliamentary Secretary to the Minister of Finance indicates that some banks have responded while others did not. Could the Acting Prime Minister or the parliamentary secretary go further and tell us what banks have failed to respond and what explanation has been received in this regard?

Mr. Kaplan: We have not asked the banks for an explanation. I do not think the article which I read indicated which banks had responded. But some have done so. I would point out that banks are in competition with each other. The public ought to know that some banks have responded and are offering to lend money at lower rates of interest than others, and govern itself accordingly.

Mr. Stevens: As the Provincial Bank has announced plans to lower consumer interest rates by half a per cent to 13 per cent, would the hon. gentleman indicate whether the government has used, or intends to use, moral suasion to induce banks which have not chosen to lower consumer interest rates to do so, bearing in mind that lower rates on consumer credit would help reduce prices and create the stimulus which is presumably needed to deal with unemployment?

Mr. Kaplan: Well, Mr. Speaker, the public has a free choice among the banks. If some banks are offering lower interest rates, the public ought to know it and act accordingly.

* * *

CANADA SUMMER GAMES

INQUIRY AS TO PLANS FOR PROMOTIONAL CAMPAIGN

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is for the Minister of State for Amateur Sport and Fitness. The Canada Summer Games will take place in Newfoundland this year and I invite all hon. members to visit the province and enjoy our hospitality at that time. In view of the fact that there is now an urgent need in this country to express national unity, and since there is no more appropriate place to do this than on the sports field, I want to ask the minister, coming, as she does, from the beautiful west coast, what plans she has for the promotion of these games on the equally beautiful east coast?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Thank you very much, Mr. Speaker. We are in fact beginning to promote the Canada Games at this time. We have an agreement with the Western Canada Lottery to promote the games via television twice a week starting very shortly. Also, the CBC is scheduled to commence regional television promotions of St. John's and the Canada Games. Its live national coverage of the games will be the most extensive ever in the history of the Canada Games. I should like to offer an invitation to all hon. members to attend the official kick-off ceremonies which will be taking place on Monday, May 16.

Some hon. Members: Hear, hear!

Oral Questions

ANTI-INFLATION PROGRAM

DATE PROGRAM WILL END—CONTROLS AS A METHOD OF FIGHTING INFLATION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is directed to the Acting Prime Minister. The hon. gentleman said last Monday in the House that the law clearly stipulates that contracts cannot continue after December, 1978, even though I think there is a twist in the law which might permit the government to continue them after that date. Since the parliamentary secretary said a week ago that controls will not end by the end of 1977 because the expectations of Canadians have not decreased to the level where we can accept voluntary restraints, I should like to ask whether the government has now abandoned all hope of ending controls before the end of next year?

Hon. Jean Chrétien (Acting Prime Minister): No, Mr. Speaker.

Mr. Clarke: In view of the continued presence and even acceleration of high inflation despite some 18 months of controls, is the minister still satisfied with controls as the main attack on inflation?

Mr. Chrétien: Yes, sir.

* * *

ENERGY

POSSIBILITY OF EXPANDING HOME INSULATION PROGRAM IN NEWFOUNDLAND—DEVELOPMENT OF GULL ISLAND PROJECT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. In view of the fact that the increases in oil prices agreed to at the conference yesterday will cause serious hardship to the Province of Newfoundland which is already torn asunder by increases in fuel prices affecting low income-earners, is the minister now prepared to expand the insulation program, or Enersave, in that province to alleviate the serious situation?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): I am pleased the hon. member mentioned Enersave. I think the response in Newfoundland to this federal initiative for energy saving has been almost 100 per cent. I think it has demonstrated to Newfoundlanders the real opportunities for energy saving which exist. As to whether we shall be able to provide any help additional to that which we have provided and are now providing to Newfoundland, I am not in a position to give the hon. member any information at this point. I do know that energy ministers all across the country are addressing themselves to the question of what additional measures they, and we, may be able to take in the near future. Perhaps in a matter of a few months I shall be in a position to say more.

[Mrs. Campagnolo.]

Mr. Marshall: The minister realizes the need to develop alternate sources of supply. Has any progress been made to help the province develop the Gull Island site?

Mr. Gillespie: The hon. member would be helping his cause and the cause of Newfoundlanders if he would ask the premier of Newfoundland to get on with the job of providing me with the information. I have been waiting for six weeks now, for information which was promised to me much earlier.

* * *

AGRICULTURE

EFFECT OF OIL PRICE INCREASE ON COST OF PRODUCTION—GOVERNMENT ACTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Minister of Agriculture. The Science Council of Canada stated that the food and agriculture sectors of the economy in this country consume about 28 per cent of the petroleum products used. Since there is to be another price hike amounting to about $2 per barrel on oil, may I ask whether the minister has studied the impact of this increase on food prices? If he has, what does he intend to do about it? Is he considering tax cuts or other benefits of that nature for farmers and fishermen?

Hon. E. F. Whelan (Minister of Agriculture): The government's concern in this area is evident from its actions. The fact is, we are taking care of our farmers in a better manner than ever before. We have surpassed the United States in the measure of aid we give to farmers through our stabilization programs and the marketing programs available to our farmers. In most instances these costs are taken into consideration and if necessary we use the stabilization legislation as a further measure of assistance.

* * *

CONSUMER AFFAIRS

POSSIBILITY OF STUDY OF IMPACT OF RISING ENERGY COSTS ON PRICE OF FOOD

Mr. Lorne Nystrom (Yorkton-Melville): In view of that totally useless answer I should like to direct my supplementary question to the Minister of Consumer and Corporate Affairs. Would he tell us whether his department is making any study of the impact the rising energy costs will have on the price of food, the Science Council having stated that food and agriculture use about 28 per cent of the petroleum used in Canada?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): My department is not equipped to carry out research of that sort.

● (1440)

ANTI-INFLATION PROGRAM

REASON INDUSTRIAL WAGES INCREASING AT RATE ABOVE GUIDELINES—RESTORATION OF COMPETITIVE TRADING POSITION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, may I direct a question to the Acting Prime Minister. In view of the fact that Statistics Canada has reported that average weekly earnings increased by nearly 10 per cent in the 12 months ending in February—a rate considerably in excess of the second year wage guidelines under the anti-inflation program—can the minister explain to the House why, after well over a year of controls, average industrial wages are still increasing at rates well above the wage guidelines?

[*Translation*]

Hon. Jean Chrétien (Acting Prime Minister): Mr. Speaker, the answer is extremely complex because all wages are not necessarily controlled in Canada. Businesses with fewer than 500 employees are not submitted to the controls, and I shall have a look at the figures which were mentioned this afternoon by the hon. member and give him a more explicit answer tomorrow.

[*English*]

Mr. Darling: A supplementary question, Mr. Speaker. Noting that the latest available measures indicate that Canadian average industrial wages are rising at a rate of some 4 per cent faster than comparable wage rates in the United States, can the minister explain to the House what factors led the Minister of Finance to pronounce so confidently in his budget speech that the erosion in our competitive position was being checked, and can he indicate to the House when he expects some progress to be made towards the restoration of our competitive position?

Mr. Chrétien: Mr. Speaker, I think it is evident that since last year, when the Canadian dollar went from $1 to 95 cents U.S., we have substantially improved our competitive position.

* * *

TRADE

EFFECT OF INCREASED PRICE OF EXPORTS ON TRADING POSITION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. As Canadian export prices have increased 18 per cent in the first two months of this year, can the minister tell the House why this sudden increase has occurred, whether it will likely continue for the balance of the year, and will it erode our export position?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, according to the forecasts for the current year, we are doing quite well on the export market in spite of the increase mentioned by the hon. member.

* * *

[*English*]

AGRICULTURE

CHICKEN—DATE OF ANNOUNCEMENT OF MARKETING AGENCY

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Agriculture. Now that another weekly cabinet meeting has come and gone is the minister in a position to announce the formation of a national chicken marketing agency, and if not, why not?

Hon. E. F. Whelan (Minister of Agriculture): No, Mr. Speaker.

* * *

[*Translation*]

TRANSPORT

POSSIBILITY OF DREDGING THE SHIPPING CHANNEL AT QUEBEC CITY—GOVERNMENT POSITION

Mr. Louis Duclos (Montmorency): Mr. Speaker, may I direct a question to the Minister of Transport?

Could the minister tell the House whether the government will soon be in a position to consider the representations which have been made by the Quebec Urban Community and the Chamber of Commerce and Industry of Metropolitan Quebec about dredging to 41 feet the shipping channel of the port of Quebec City?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we had asked for tenders at several depths, and on examining the tenders it did appear that we would be able to get a very good price at the 41 foot level. I have today joined in announcing that that would be done. This, of course, respects the representations of members of parliament from the Quebec region as well as from the city and chamber, to the effect that the development of that area very much depends upon that extra depth. Therefore, we decided to go ahead with it and act immediately, in the hope that the dredging can be completed by November of this year. That is our expectation and we will deal with the question of appropriate cost recovery in another manner.

* * *

ENERGY

REASON FOR CLAIMING STATEMENTS AGENT NOT USED IN SALE OF CANDU REACTOR TO SOUTH KOREA FALSE

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my questions are for the Minister of Energy, Mines and Resources and are further to those raised Monday regard-

ing the fee paid to Shaul Eisenberg on the sale of a CANDU reactor to South Korea. Having read the report from the Canadian embassy in Seoul which quoted the ex-president of Korean Electric Company as having said that Eisenberg performed the normal liaison functions of a commercial agent, and as well having read and listened to the statements of the vice-president and the executive vice-president of that same company who state categorically that there was no connection with an agent and that the Korean Electric Company negotiated directly with AECL for the sale of the CANDU reactor, can the minister say on what basis he makes the claim that the statements of these two top ranking officials of the Korean Electric Company are false, as he did in the House on Monday?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, based on the testimony of the senior officer who was present at the time. May I say I think the hon. lady is referring to another press report which appeared in a Toronto newspaper this morning. If that is the source of her information, I have been told that the two persons who gave that information were not members of the Korean Electric Company at the time so they did not have first-hand knowledge of the events at that time. If she wants to put further questions on this matter, though, I suggest to her that perhaps the right person to ask would be Mr. Campbell, the chairman of AECL, when he appears before the committee. I believe that the public accounts committee will be meeting next week and that is surely the place to pursue her inquiries.

Miss MacDonald: A supplementary question, Mr. Speaker. Having put numerous questions to Mr. Campbell on this already with no response forthcoming, I should like to ask the minister this question. Given the fact that there has been very little information forthcoming to the public accounts committee, and vouchers to substantiate the $15 million in payment of fees to Mr. Eisenberg have not been produced, and since both Eisenberg and Korean officials refuse to appear before the public accounts committee and we are now presented with two quite strikingly different accounts of Mr. Eisenberg's activities, is the minister satisfied that this brief report from the Canadian embassy in Seoul is sufficient to warrant the expenditure of some $15 million of public moneys as an agent's fee? In other words, is this as far as the government is prepared to go to satisfy itself that this money of the Canadian taxpayer has not been misspent?

Mr. Gillespie: Mr. Speaker, I want to help the hon. lady and I will do everything I can.

Miss MacDonald: Answer the question then.

Mr. Gillespie: We have gone to the source where we think the information is likely to be accurate. She is quoting from a newspaper report based on the supposed statements, the alleged statements, of two persons who were not even there at the time. If she is not satisfied with that information, let her put those questions to Mr. Campbell.

Miss MacDonald: I have.

[Miss MacDonald.]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my question for the minister is supplementary. Will he not establish a revolutionary precedent in this House by admitting that he does not know what he is talking about and is only parroting the statements made to him by his advisers, who have a vested interest in concealing the facts on this issue?

Some hon. Members: Oh, oh!

* * *

TRANSPORT

PROPOSED PAYMENT OF TRAVELLING COSTS OF CATCA AND CALPA EXECUTIVES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct my question to the Minister of Transport. Would the Minister of Transport shed a little light on his attitude respecting the invoicing of CALPA and CATCA in connection with trips made by executives of those two organizations to Ottawa about a year ago at the request of the minister's departmental advisers, who helped resolve the very serious air travel situation existing in this country at the time and indicate whether or not he is prepared to rescind or to cancel those invoices and arrange to have whatever billing is necessary paid for out of departmental accounts?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am not yet prepared to comment on that question. I had not been aware until very recently that there was any dispute about it, and I have not received a report.

• (1450)

Mr. Forrestall: Mr. Speaker, I wonder if I understand correctly the minister's comments on this matter that is now before him, to which he is directing some of his attention, that perhaps we will have an answer within a week?

Mr. Lang: Mr. Speaker, I think that would be reasonable.

* * *

POST OFFICE

TORONTO—MEASURES TO IMPROVE SERVICE—COMPLAINT OF INDEPENDENT BUSINESSMEN'S ASSOCIATION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General whom I trust will help to resolve the current confusion in the mail service in the Toronto area. Has the Postmaster General been made aware of the test conducted recently by Alderman Ying Hope on mail delivery in Toronto, where only five of 49 letters reached their destination overnight; some took over a week to deliver; and six letters never arrived at all? In view of the vital importance of a reliable speedy mail service in the Toronto area, will the minister launch a wide-scale investigation in an attempt to resolve the problem and give the city of Toronto the quality of mail service it urgently requires?

Hon. J.-J. Blais (Postmaster General): And that it has been used to, I might add, Mr. Speaker. As I indicated to the hon. gentleman in committee, when we were dealing with the estimates, the situation in Toronto is an aberration that is of short duration. It is one that was brought about as a result of the acceleration of the program of transferring from the manual sorting in terminal A to the three postal plants. As of Monday of this week, the backlog represented one shift in Toronto, and that was concentrated in the south central plant.

With reference to Mr. Ying Hope's experiment, I am not personally familiar with his experimentation or what the criteria were that he employed in conducting his test. All I know is that it is an old test, and surely he has received all the pieces of mail. The discrepancy in the usual service provided, which is the service he has been used to, was due to what I have just advanced to the hon. gentleman, namely, a temporary aberration and one that we are sure has now been removed. I am now asking all members if they have any specific instances of difficulty which they are encountering to make me personally aware of them so that I can check them all out.

Mr. Dinsdale: Mr. Speaker, my supplementary question is with regard to the same subject. I am sure the alderman agrees that "hope" springs eternal in these matters. Arising from the complaints of the Independent Businessmen's Association with regard to the fact that mail is so slow in the Toronto area and that the cancellation date on envelopes is no longer accepted as a payment date for outstanding accounts, would the Postmaster General also investigate this problem to see if he can resolve it as well?

Mr. Blais: Mr. Speaker, as the hon. gentleman knows, I am very interested in the opinions of small businessmen and of the federation as well. We depend on them as they depend on us. I am not aware of the substance of the representations of the hon. gentleman having been made by the Canadian Federation of Independent Businessmen. I will look at those representations and see what can be done.

* * *

PUBLIC SERVICE

ALLEGED REFUSAL OF MONTREAL EMPLOYEES TO PROVIDE SERVICE IN ENGLISH—DATE OF REPORT ON BILINGUAL BONUS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the hon. President of the Treasury Board who is responsible for so many matters affecting the Public Service. My question is prompted by reports in the press this last day or so indicating that a language boycott has been organized by some 13,000 public servants in the Montreal area by refusing to provide services in the English language until certain conditions are met. I am wondering whether the minister can say what steps he and his government are taking to restore these services to the taxpayers of Montreal?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, the situation could be described as being somewhat hypothetical because, other than the press reports, there have been no communications to us about this action. As of this moment, the best information I have—and I have checked with all departments—is that there are in fact no instances of refusal to serve in both official languages. Thus, it is more of a threat than concrete action at the moment.

Having said that, I want to clearly indicate those people in Quebec or anywhere else, who are incumbents of designated bilingual positions, clearly understand that their duties are to perform a service and to deliver information and services in both official languages to the populace as requested. That is the official policy of this government, and indeed it will be enforced. Dealing only with the press report, because there have been no other indications of this issue, compensation bonus is one of the issues which is subject to final determination when we complete the deep analysis of the implementation of the official languages policy which is now under way. We anticipate that completion within a few weeks.

The other issue is an apparent request to reduce the number of bilingual positions in Quebec, which is rather interesting to us because just a year or so ago the very same people, who are now complaining about it, were pressing for an increase in the number of bilingual positions in that area. Indeed, we might favour their newer proposal rather than their earlier one.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I am glad the minister has been able to clear this up. It is perhaps pressure tactics on the part of that group. I am wondering if the minister has any comment to make about the study undertaken, which started about two years ago, concerning the bonus, and whether in fact there is some date that can be looked forward to for the publication of this report and its implementation?

Mr. Andras: Mr. Speaker, there was an earlier statement by the government that such action would be effective. That would be, of course, retroactive to November 1, 1976. At that time it was clearly indicated—and I think the unions fully understand—that it was a very complex single issue. There was the question of methodology, the question of amounts and the question of criteria for making available such compensation. That complexity has been further exacerbated because it is totally related to the announced intention of the government to review its official languages implementation policy, not the least important of which would be the delineation of the number of designated bilingual positions which would carry access to such compensation when implemented. I also heard comments by union spokesmen that they fully recognized the first thing that should take place, which is the announcement of the new implementation policy of the Official Languages Act when that is available. As I indicated in my previous answer, that is likely to be forthcoming before the end of this session hopefully, but I would think within the next few weeks.

Oral Questions

ENERGY

GOVERNMENT POSITION ON WHETHER MR. JUSTICE BERGER EXCEEDED MANDATE

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. He indicated earlier that Dr. Brooks has been misquoted by the press. I would like to give the minister a quote of his own to see whether he has been misquoted. This appeared in the Alaska press two days ago. The article quoted the minister as saying that no one invited Mr. Berger to recommend against a pipeline. Would the minister advise the House as to whether he was misquoted? If he was not misquoted, would he advise the House whether it is now the government's position that Mr. Justice Berger has exceeded his mandate in the Berger report?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, on a number of occasions I have lauded the Berger report as a very comprehensive document and indeed a very eloquent statement. I have nothing further to add at this time.

NATIONAL INSULATION AND TAR SANDS PROGRAMS—MINISTER'S PREFERENCE FOR FUNDING

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I wanted to find out, first of all, if the minister made the statement. Second, the minister indicated, when he announced the insulation program in Nova Scotia, that the cost of gaining an extra barrel of oil by saving it is a fraction of the cost of finding and producing the same barrel. I commend the minister for that statement.

In view of the fact if we had a national insulation program that we would save more energy than we can get out of the Mackenzie Delta and it would be at one third of the cost; in view of the fact that the minister has two programs in front of the Treasury Board—one a national insulation program and the other another tar sands program—and in view of what the minister said about conservation, would the minister advise which one of those two programs he wishes to have funded? Would it be the national insulation program or the extra tar sands?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I would recommend to the hon. member that he reread "Energy Strategy for Canada—Policies for Self-Reliance". If he does, he will see the kind of gap we are faced with—the gap between domestic production and foreign imports of oil—that is to say, the problem of reducing a growing dependence on foreign oil which is what the situation will be in 1985 if we do not increase our conservation efforts, bring on a tar sands plan and bring down our resources from the north. We will be in real difficulty.

● (1500)

Mr. Leggatt: My final supplementary question is this, Mr. Speaker. On the program for national insulation some provinces have indicated acceptance and some have indicated refusal. Why does the minister not proceed with the national program with the provinces that have accepted and are willing to go on with the program, so that we can make some energy decisions?

[Mr. Andras.]

Some hon. Members: Oh, oh!

An hon. Member: Come on, Alastair, up on your feet.

Mr. Speaker: Order, please.

* * *

[*Translation*]

PRIVILEGE

MR. LAMBERT (BELLECHASSE)—ALLEGATION OF BIAS IN RADIO-CANADA

Mr. Speaker: Yesterday, the hon. member for Bellechasse (Mr. Lambert) rose on a question of privilege in connection with a news bulletin issued by a Radio-Canada reporter and reflecting on the political loyalty of the hon. member for Bellechasse.

I have examined most attentively this question of privilege, together with the following motion:

That considering the prejudice to my reputation as the hon. member for Bellechasse, this House request Radio-Canada to set the facts straight as soon as possible.

I have considered a number of precedents, especially that of the hon. member for Madawaska-Victoria (Mr. Corbin) on May 20, 1976. I suggest the two cases are similar. This issue of the objectivity of the media is often discussed in the House following questions of privilege. It would be difficult, however, to claim that the quality of the information spread by the press could warrant a question of privilege.

As I indicated in the decision I rendered on May 20, 1976, we must take into account here a basic right which is as important as parliamentary privileges, namely the right of the freedom of the press which must not be interfered with, except in cases of very serious contempt of Parliament, which is not the case today. The hon. member for Bellechasse certainly entertains an important grievance but, on the basis of our precedents and parliamentary practice, I must regretfully find that this is not a true question of privilege.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, my question is to the Postmaster General in his position as deputy House leader. I should like to ask whether he can inform us of the business of the House for the balance of this week. I understand he is prepared to designate two days next week as opposition days. If he could do that, I would be grateful.

I wonder, at the same time, if he could tell the House the intentions of the government with respect to the notice of motion appearing in the name of the President of the Privy Council respecting the question of northern gas pipelines. It appears on page VIII of todays order paper. I am really interested in knowing the purpose of the motion. Is it merely as window-dressing, or is it the intention of the government to bring in that motion for debate quickly and, if so, is it the intention of the government to bring the motion on in such a way that the matter may come to a vote? I really want to know why it is there.

Mr. Blais: I had hoped the hon. gentleman, in raising his point of order, would seek information and would refrain from editorializing or engaging in debate.

Some hon. Members: Oh, oh!

Mr. Blais: If the hon. member is interested in knowing the business of the House, I would be pleased to inform him. If he wants to engage in debate on various items on the order paper, we can oblige him as well. I am pleased to advise him that we will be continuing today with Bill C-51. Tomorrow is an opposition day, as the hon. member for Grenville-Carleton knows. On Monday we will resume debate on Bill C-51 and, I hope, dispose of it—if we do not do so today. I hope we might refer it to the committee this afternoon.

An hon. Member: Don't editorialize.

Mr. Blais: Then we will proceed with Bill C-38, the fisheries and environment bill. Subsequently, we will deal with the customs tariff, the excise tax legislation, followed by the Bretton Woods Agreements Act. As well, we will be dealing with allotted days on Wednesday and Thursday of next week, as the hon. gentleman has indicated. We hope that the items I have enumerated will take us through next Friday. With reference to the item on the order paper mentioned by the hon. member, I have a great deal of respect for the President of the Privy Council and I believe that when he puts an item on the order paper it is there, not as window-dressing but as a substantive item to be dealt with by the House.

Mr. Baker (Grenville-Carleton): I am surprised that the deputy House leader should think I am editorializing, when I speak so gently to him.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): I asked him two questions which may have escaped him. He has indicated that the President of the Privy Council seriously put the motion on the order paper. I asked him two questions arising out of it. He can tell me if he has no instructions, and if he has instructions I would appreciate an answer. Is it the intention of the government to arrange to bring that matter to a vote? If that is the case, would he be prepared to discuss that motion? Also, can he tell the House when the motion will be brought forward? It deals with an important matter. If he does not have instructions on this, let him say so today and I can put my question to the government House leader. If he does, can he answer the questions?

Mr. Blais: First of all, Mr. Speaker, I have announced the business for next week. It is not the habit of the House leader or the deputy House leader to deal with a matter of that importance without due consultation with all the representatives of the other parties. Today we have not discussed that; we have not entered into any discussions relating to that item. When it is time to discuss that item and negotiate the time the House is ready to allow, the hon. gentleman from Grenville-Carleton will be advised.

Mr. Baker (Grenville-Carleton): In other words, you don't know.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think the Postmaster General has indicated why there is some concern about this motion. It was understood there would be a discussion among the House leaders about a possible debate on the northern pipeline situation, so it comes as a surprise to us that a motion is on the order paper without that discussion having taken place. But in view of the question asked by the hon. member for Grenville-Carleton about the motion coming to a vote, may I ask what is the point of having a vote on a motion which simply says we will not take any decision?

Mr. Woolliams: It has been done before.

* * *

• (1510)

[*Translation*]

PRIVILEGE

MR. FORTIN—ALLEGATION OF BIAS IN RADIO-CANADA

Mr. André Fortin (Lotbinière): With your permission, Mr. Speaker, I would like to raise a question of privilege. I could not do so before since I just received this answer to a question I had asked the Secretary of State (Mr. Roberts) through the Prime Minister (Mr. Trudeau) about the by-election coverage by Radio-Canada of the Social Credit Party of Canada. Here is the answer, and I submit that our privileges are actually affected. This answer comes from the Secretary of State himself.

Dear Sir:

As I had promised in my answer to your oral question on May 3, 1977, I am happy to inform you that I have received from Radio-Canada a report about the news coverage made last weekend on the by-elections.

Radio-Canada has given me the following information:

The French TV network initiated in the middle of April a first series of programs regarding the by-elections to be held at the end of May.

One must then not assess the value of the coverage on the first part alone.

The objective of those programs was not to take stock of all nominations in each riding, partly because all parties do not yet have candidates in all ridings, and the nominations are not all made.

The objective was to give a preliminary picture of the ridings with the main forces already in place and committed for sure in the election campaign.

Now, Mr. Speaker, here is where our privileges are violated.

In Langelier and Louis-Hébert, the candidates already identified and campaigning at the time of the program were Liberals Lamontagne and Dawson and Conservatives Hamel and Lavoie. Apparently the third parties had not yet fielded candidates.

So far, this is true.

In Terrebonne—

Mr. Speaker: Order, please. I regret to interrupt the hon. member for Lotbinière (Mr. Fortin) and to refer him to the provisions of the rules of the House, and in particular to Standing Order 17 which reads as follows:

17.(2) Unless notice of motion has been given under Standing Order 42, any Member proposing to raise a question of privilege other than one arising out of proceedings in the Chamber during the course of a sitting shall give to the Speaker a written statement of the question at least one hour prior to the opening of a sitting.

I shall particularly underline for the hon. member Standing Order 17 (2). Unfortunately, in the absence of the formal notice described in this subsection, it is impossible at this time to hear a question of privilege.

Mr. Fortin: Mr. Speaker, I could not give you a notice in accordance with the rules of the House, because I have just received this answer. This is a question of urgent and pressing necessity since the by-election is underway and since this discrimination objected to by the Secretary of State himself and the Prime Minister is continuing.

Mr. Speaker, I raised myself that very question in the House. As I was saying:

In Terrebonne, two leading personalities are engaged in the by-election bout, Liberal Comtois and Conservative Delorme. Our reporting related to the campaign already launched and to the fight that was already going on.

Mr. Speaker, I contend that it is Radio-Canada management which decides by-election results. They decide to eliminate systematically Social Credit candidates from their information programs. Our candidate for Terrebonne has been nominated since March 9. This information was conveyed by Telbec to Radio-Canada as well as other electronic media during a press conference which was held in Sainte-Thérèse city hall. Therefore, Radio-Canada was aware of that fact. The Prime Minister and the Secretary of State undertook to inquire about that fact so as to ensure that our party was being fairly treated. Is there or is there not any democracy in this country, Mr. Speaker?

Radio-Canada decides by-election results by ignoring Social Credit nominations in its news bulletin. That is how they totally ignored our candidate in their letter. And moreover, Mr. Speaker, the letter states the following:

In Verdun, our reporting insisted particularly on the nomination of a surprise candidate from the NDP, a well known personality among consumers.

No mention is being made of Liberal, Progressive Conservative and surely not of Social Credit candidates. Mr. Speaker, Radio-Canada has no right to interfere in the democratic rules of this country.

Mr. Speaker: Order, please. It is obvious that the hon. member for Lotbinière is not raising a question a privilege under the Standing Orders, but he certainly makes a grievance, maybe against Radio-Canada. The grievance was adequately set out by the hon. member this afternoon. He expressed himself in strong and clear terms. When recognizing the hon. member for Lotbinière, I gave him, I think, a very reasonable opportunity to formulate and air his grievances against Radio-Canada but it is in no way a question of privilege, in the sense of the rules regarding the rights of members of the House. Perhaps this is a grievance introduced by a political party which does not involve the executive or the government in the House, as far as procedure is concerned, but a grievance from a political party against Radio-Canada. The grievance was well handled, expressed and set out very clearly and vigorously by the hon. member for Lotbinière, but technically this is not a question of privilege.

Mr. Fortin: Mr. Speaker, on the same point of order.

Mr. Speaker: Order, please.

[*English*]

Mr. Baldwin: Mr. Speaker, I rise on a point of order prompted by the exchange between the House leader of our party, the hon. member for Grenville-Carleton, and the Postmaster General who occasionally, when he is not looking after the Post Office, doubles as deputy House leader. It involves the very serious issue which involves the opposition day tomorrow and the motion in the name of the government House leader dated May 11, 1977, dealing with the question of northern pipelines. If we are to believe the press releases and other information from the New Democratic Party—the hon. member for Winnipeg North Centre nods his head, and I give to the nod of his head the same acceptance as if it were made under oath—

An hon. Member: He is just clearing his ears.

Mr. Baldwin: —the issue tomorrow will be a question dealing with the Berger report on these pipelines. This is a very important issue for parliament and this country. We all have reason to believe that the Prime Minister has made a secret agreement with President Carter.

An hon. Member: Oh, come on.

Mr. Baldwin: During the time this House will be in recess the government will make decisions which will be irrevocable. We in this House demand the right to debate and discuss this matter, to move amendments and to put questions. This question was raised yesterday and the day before. An indication was made by the government House leader that some opportunity would be given for this. If that is the case, it may well be that the motion appearing in the name of the President of the Privy Council represents that view of the government and that that is the decision. If that is the case, we should be advised, because tomorrow we will be debating an issue on which there will be a vote and which is subject to amendment, and by that vote and by that amendment we may be binding ourselves to a very narrow issue and preventing ourselves from debating the rather broader issue which the government may want to raise.

We may be finding we are irrevocably prohibited from debating, moving amendments and having the question put on the whole issue of the development of northern pipelines, what we do about the native peoples, the environment, the ecology, and so on. I think there is a responsibility on the government before tomorrow to tell us truthfully and honestly, if the government can bring itself down to that level, precisely what its intentions are with regard to this motion. Otherwise, there may be decisions made which may make it impossible for us to proceed.

I suggest that if we are to have meaningful debates in this House which are of some value, we should have them in light of what is proposed in advance. If the government's intentions with regard to this motion in the name of the President of the Privy Council are to be realistic, it may well be that the Minister without Portfolio has been appointed as the spokesman for the government on this, and it may be that he is able to respond to me and say what are the government's intentions. He nods his head. I expect him to rise after I have spoken and tell us what the government is going to do. However, I suggest that this parliament has fallen to low enough levels at the insurance of the government and that it should not be allowed to handle this matter in this way.

Some hon. Members: Hear, hear!

Mr. Goodale: Mr. Speaker, in view of the remarks just made by the hon. member for Peace River, it is interesting to observe how the opposition performs when it is in a box.

Some hon. Members: Hear, hear!

Mr. Goodale: The difference between the suggested wording of the two motions, the one on the order paper in the name of the President of the Privy Council and the one described in general terms by the House leader for the New Democratic Party, indicates very clearly a difference in approach on this particular point. I do not think there is a problem presented to the House as the hon. member for Peace River has described. The President of the Privy Council has indicated that parliament will have a significant role to play with respect to this question. The acting House leader, the Postmaster General, indicated a few moments ago that the motion appearing on the order paper in the name of the President of the Privy Council is not an exercise in window-dressing; it is a serious proposal and one which parliament will have to consider.

● (1520)

[*Translation*]

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

Mr. Speaker: The hon. member for Lotbinière (Mr. Fortin) on a point of order.

Mr. Fortin: Mr. Speaker, I am referring to Standing Order 17(2), page 14, where it is said that any member proposing to raise a question of privilege other than one arising out of the proceedings during the course of the sitting is allowed to do so by giving to the Speaker a written statement of the question at least one hour prior to the opening of the sitting. The question of privilege I raised referred to a question and to the proceedings of the House. Therefore, the letter I mentioned and which gives evidence that Radio-Canada has inopportunely decided of the result—

Mr. Speaker: Order! The point raised by the hon. member for Lotbinière certainly did not arise from the proceedings which took place during this afternoon sitting. This is quite clear. If the question had been about events which took place this afternoon during the oral question period, it would not have been necessary for the hon. member to give the Chair notice of the question. That goes without saying but if it has to do with the proceedings of a previous day, under the rules of this House a notice is required. That too is quite clear.

I recognize the hon. member for Lotbinière.

Mr. Fortin: Mr. Speaker, I do not want, as the Standing Orders say, to challenge the decision of the Chair, but you did admit earlier that my colleague from Bellechasse (Mr. Lambert) has a valid grievance. From now on we will not be able to talk to one another without being filmed and without Radio-Canada being able to interpret that the way it wants. You just stated that this is an excellent grievance. Well, Mr. Speaker, nowhere in the Standing Orders does the word "grievance" appear, and that means we are going to go into the by-elections without of any kind of possible recourse.

Mr. Speaker: Order. The hon. member for Lotbinière can certainly understand that I already gave him ten minutes this afternoon just to allow him to make a point that is undoubtedly a grievance. I recognized him and allowed him ten minutes to state this grievance, but it is indeed a grievance, and not a question of privilege.

Mr. Fortin: Mr. Speaker—

Mr. Speaker: Order!

Mr. Fortin: Mr. Speaker—

Mr. Speaker: Order!

Mr. Fortin: On a point of order, Mr. Speaker.

Mr. Speaker: Order!

Mr. Fortin: I rise on a point of order!

[*English*]

Mr. Speaker: Presenting reports.

Committee Report

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT AND COMMUNICATIONS

Third report of Standing Committee on Transport and Communications—Mr. Campbell.

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

[*Translation*]

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

Mr. Speaker: Order. I quite understand the hon. member for Lotbinière. I decided twice that there was no question of privilege or point of order. I recognized the hon. member and let him talk for ten minutes so that he could state his grievance. That is enough. Order.

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

Mr. Speaker: Order.

Mr. Fortin: I rise on a point of order, Mr. Speaker! I rise on a point of order, Mr. Speaker! I rise on a point of order, Mr. Speaker—

* * *

[*English*]

TRANSPORTATION

FERRIES—TABLING OF AGREEMENT BETWEEN FEDERAL GOVERNMENT AND GOVERNMENT OF B.C.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, under Standing Order 41(2), I wish to table the agreement signed between the government of Canada and the government of British Columbia concerning ferries, signed on April 18, 1977.

[*Translation*]

Mr. Fortin: I rise, on a point of order, Mr. Speaker! I rise on a point of order, Mr. Speaker—

Mr. Speaker: Order, please. For the last time, I must say to the hon. member for Lotbinière that I decided there was no point of order or question of privilege. The Speaker's decisions cannot be appealed and, to my mind, both questions are settled.

* * *

PETITIONS

PRESENTATION OF PETITION TO INCREASE OLD AGE PENSION, ETC.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise under the provisions of Standing Order 67 to ask leave of the House to present a petition. The petition is signed by several hundred persons living in nearly 60 communities in Saskatchewan and in other provinces as well. It asks that the parliament of Canada consider increasing the basic amount of the old age pension, lowering the eligible age, establishing a department of senior citizens' affairs, and taking certain other steps to improve the quality of life of our senior citizens.

I am happy to present the petition on behalf of the Saskatchewan Senior Citizens Action Now Association, for the consideration of the House.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 182, 328, 1,868, 2,092, 2,148, 2,165, 2,167, 2,168, 2,176, 2,245, 2,307 and 2,370.

[*Text*]

MR. CHRIS PATTERSON—FRENCH LANGUAGE TRAINING

Question No. 182—**Mr. Cossitt:**

1. Is Mr. Chris Patterson, Senior Operations Officer for the Unemployment Insurance Commission at Belleville, Ontario, presently taking a course in the French language at the government operated Asticou Language School in Hull, Quebec and, if so (a) on what date did his course commence and on what date is it estimated that it will conclude (b) what funds have been expended to date on behalf of Mr. Patterson including accommodation, meals, etc. (c) what is the total estimated cost of his entire course upon completion?

2. Has the government at any time used Loyalist College in Belleville, Ontario, for employees of UIC in Belleville to study the French language and, if so, for what reason did Mr. Patterson not take his course in the city of his employment?

3. Does Mr. Patterson's French course at Hull, Quebec, create more cost to the taxpayer than if he took it in Belleville, Ontario?

4. What is the cost of a French course for UIC employees at the Loyalist College in Belleville, Ontario, based on any charges paid by the government for such courses in the past?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Unemployment Insurance and the Public Service Commissions as follows: 1. Yes. (a) Commenced August 9, 1976, with a possible duration of 52 weeks. (b) As of September 30, 1976: $1,632.62 (c) $8,800 provided that the course is of 52 weeks' duration.

2. Yes, Courses were not available at Mr. Patterson's level of learning ability as established by P.S.C. diagnostic tests.

3. No. To take the course in Belleville would require the establishment of a special class with private tutors.

4. The staff development branch of the Public Service Commission has a contract with Loyalist College in Belleville for the teaching of French. The contract is for one year, from July 1, 1976 to June 30, 1977. It calls for the payment of $35 per group-hour, with five to eight students per group. The cost is met by the branch from its appropriations budget, and is not charged back to the participating departments. The size and composition of any group may vary from time to time, depend-

ing on the number of students who require training, and the length of time required by any individual student for completion of his or her training.

IMPROVEMENT AND MAINTENANCE OF RAILWAY TRACKS

Question No. 328—**Mr. Orlikow:**

Have the Canadian Pacific Railway and the Canadian National Railway increased programs of improvement of standard of track and maintenance of some which will require more staff, more and better material, such as new, heavier rail and fastening, and more work equipment as recommended by the Railway Transport Committee of the Canadian Transport Commission on April, 1973 and, if so, how much has this staff been increased?

Hon. Otto E. Lang (Minister of Transport): The Canadian Transport Commission advises as follows: Canadian Pacific Limited: Since 1973 CP Rail has installed over 1,200 miles of heavier section new rail and fastenings, including 215 miles of special chromium alloy rail, together with 200 additional miles of heavier section rail in their relay rail program. Heavier rail section, whether new or relay, is mainly installed as continuous welded rail or welded in lengths of 78 feet or 72 feet. Approximately 300,000 larger tie plates have been installed since 1973 and six-hole joint bars are now being used. Over this period, almost 5,000,000 treated track ties have been installed along with a test section of 1,300 concrete ties in the Pacific Region. Ballasting has been carried out on 2,600 miles of track since 1973. In 1973, a track-recording car was placed into service and each year 26,000 miles of track are tested. During this period, 96 bridges have been replaced and over $7.5 million was spent on additional roadway machines. The actual number of employees involved is difficult to ascertain, but the following has been developed as the actual man-hours worked during the period of 1973 to 1975 as follows:

Year	Man-Hours Worked Maintenance of way only
1973	13,283,055
1974	14,316,913
1975	14,004,873

Canadian National Railways: Since 1973 CN Rail has installed 2,035 miles of heavier section new rail. Major grade stabilization, tie renewal and ballast improvement projects were carried out as required in conjunction with the installation of heavier rail. During the next five years CN Rail proposes to install approximately 2,000 track miles of new rail, together with grade stabilization, tie renewal and ballast improvement work. In addition, a program for the installation of concrete ties in heavy curve areas on its Transcontinental main line between Capreol, Ontario, and Vancouver, British Columbia has been initiated. Approximately 1,500,000 concrete ties, equivalent to over 550 track miles, will be in place by 1981. A substantial investment in track maintenance equipment has been made in conjunction with the track renewal program. In 1977 an additional $4.5 million in operating funds has been allocated to field activities to retain a high standard of maintenance throughout the system. The actual number of additional employees involved is difficult to ascertain, but the following has been developed as the actual manpower count of maintenance of way employees, excluding management:

Year	Maintenance of Way Manpower
1974	11,031
1975	11,082
1976	11,121

ROYAL CANADIAN MOUNTED POLICE

Question No. 1,868—**Mr. Allard:**

1. In (a) 1973-74 (b) 1974-75 (c) 1975-76, what was the amount of operating and investment expenditures of the Royal Canadian Mounted Police in each province and territory?

2. For the same years, what amount did the government recover from the provincial and municipal governments in the (a) western provinces (b) Maritimes?

3. For the same years, how many RCMP officers were posted in each province and territory?

4. What are the RCMP's areas of activity in the Province of Quebec?

Hon. Francis Fox (Solicitor General): By the Ministry of the Solicitor General (Royal Canadian Mounted Police): 1.

	(a) ($000's)	(b) ($000's)	(c) ($000's)
British Columbia	$50,564	$64,007	$ 84,982
Alberta	26,026	32,364	39,705
Saskatchewan	29,478	39,178	46,335
Manitoba	15,290	20,079	26,219
Ontario	82,761	99,533	122,168
Quebec	18,426	23,956	35,381
New Brunswick	8,431	10,918	13,500
Prince Edward Island	2,061	2,479	3,216
Nova Scotia	11,235	13,514	15,619
Newfoundland	9,429	12,130	14,532
Northwest Territories	(see note)	7,567	8,197
Yukon Territory	(see note)	1,868	4,522

NOTE: Separate figures for the Northwest Territories and the Yukon Territory are not available in 1973-74; the combined figure for these territories is $7,343,000.

2.

	1973-74 ($000's)	1974-75 ($000's)	1975-76 ($000's)
(a)	$52,925	$60,624	$72,516
(b)	12,475	14,626	17,216

3.

	1973-74	1974-75	1975-76
British Columbia	2876	3044	3320
Alberta	1402	1504	1607
Saskatchewan	1448	1495	1531
Manitoba	797	839	917
Ontario	3767	4092	4235
Quebec	1090	1086	1183
New Brunswick	429	465	492
Prince Edward Island	102	110	121
Nova Scotia	531	565	587
Newfoundland	501	532	558
Northwest Territories	164	179	196
Yukon Territory	79	81	88

Order Paper Questions

4. The activities of the RCMP in the province of Quebec center around the maintaining of national security and the enforcing of all federal statutes and executive orders. The RCMP also provide investigative and protective services to other federal departments and agencies, and provide investigative assistance to other Canadian and foreign police forces upon request. The RCMP Security Service collects information touching on Canada's internal security relative to subversive activity, including espionage, as defined in section 16(3) of the Official Secrets Act. Security inquiries are also conducted on employees of the government of Canada or applicants for employment who occupy or will occupy positions requiring security clearance.

● (0000)

GRANTS FOR SHIPBUILDING

Question No. 2,092—**Mr. Lambert (Bellechasse):**

1. For the fiscal year (a) 1973-74 (b) 1974-75 (c) 1975-76 (d) 1976-77 to date, did the Department of Industry, Trade and Commerce provide grants to the shipbuilding industry and, if so (i) to which firms (ii) in each case, what amount?

2. For the same years, how many workers were employed in each shipyard and for each category of worker, what was the average hourly rate of pay?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Insofar as the Department of Industry, Trade and Commerce is concerned: 1. (a) see Public Accounts of Canada, volume 11, Section 35, pages 21-22 (1973/74); (b) see Public Accounts of Canada, volume 11, Section 35, page 19 (1974/75); (c) see Public Accounts of Canada, volume 11, Section 35 page 21 (1974/76); (d) see following list.

NOTE: All grants and contributions are included in the amounts given.

2. This information is considered commercially confidential and could be released only by permission of each of the companies listed in the reply to Part 1 of above question.

1. (d) Fiscal Year 1976-77 to March 18, 1977:

Shipbuilder	Shipowner	Amount
Keen Industries	Keen Industries	$169,592
Canadian Shipbuilders and Engine	N. M. Paterson & Sons	736,981
Canadian Shipbuilders and Engine	Algoma Central Railway	1,779,900
Canadian Shipbuilders and Engine	Min. of Transport and Comm. Prov. of Ontario	204,194
Canadian Shipbuilders and Engine	Gypsum Transportation Co.	507,272
Summer Equipment	Egmont Towing and Sorting	26,953
St. John Shipbuilding & Dry Dock	Shell Bermuda (Overseas) Ltd.	11,765,879
St. John Shipbuilding & Dry Dock	Cygnet Chartering Corp. Ltd.	1,625,804
St. John Shipbuilding & Dry Dock	Esso Tankers Inc.	1,798,004
Marine Industries Ltd.	Karageorgis Group	9,446,307
Marine Industries Ltd.	Gulf Oil Canada Ltd.	1,846,458
Marine Industries Ltd.	Empresa Maritimo Portuaria de Importacion	1,051,463
Marine Industries Ltd.	Société navale chargeurs Delmas—Vieljeux	994,677
Canadian Dredge & Dry Dock Co.	Canadian Dredge & Dry Dock Co.	163,194
Allied Shipbuilders Ltd.	Her Majesty the Queen in right of the Prov. of B.C. as represented by the Min. of Transp. & Comm.	95,276
Allied Shipbuilders Ltd.	Arctic Transportation Ltd.	732,483
Burrard Dry Dock Co. Ltd.	Prov. of British Columbia	1,221,721
Burrard Dry Dock Co. Ltd.	Dome Petroleum Ltd.	276,610
Burrard Dry Dock Co. Ltd.	D. S. Milavsky, R. P. Govier, J. A. Hanlon; B. R. Torchinsky, T. A. McLellan, F. D. McCarthy, D. J. Bishop, P. Kozicki, L. Lashyn	38,080
Vito Steel Boat & Barge Const.	Valley Towing Ltd.	85,427
John Manly Ltd.	Westminster Tug Boats Ltd.	4,310
Port Weller Dry Dock Ltd.	Upper Lakes Shipping Ltd.	2,848,446
Port Weller Dry Dock Ltd.	Cornwallis Shipping Ltd.	1,058,466
Vancouver Shipyards Ltd.	Her Majesty the Queen in right of the Prov. of B.C. as represented by the Min. of Transp. & Comm.	715,148
Vancouver Shipyards Ltd.	Aqua Transportation Ltd.	188,413
Vancouver Shipyards Ltd.	Seaspan Overseas Ltd.	213,569
Vancouver Shipyards Ltd.	Exploraciones y Explotaciones Mineras Izabal S.A.	173,398
Thirty Thousand Island Cruise	Thirty Thousand Island Cruise	10,087
B.C. Marine Shipbuilding Ltd.	Dome Petroleum Ltd.	663,382
McKenzie Barge, Marine Ways Ltd.	Centre Bay Holdings Ltd., North Arm Transp. Ltd. W. Tocher, R. McLean, C. B. MacDonald, D. A. Dewar	124,398
McKenzie Barge, Marine Ways Ltd.	Rockrete Marine Ltd.	86,396
Streeper Bros. Marine Transport	Streeper Bros. Marine Transport	76,388
Apex Machine Works Ltd.	Her Majesty the Queen, in right of the Prov. of N.B. as represented by the Min. of Highways.	81,449
Ferguson Industries Ltd.	Canso Seafoods Ltd.	460,995
Haste Fisheries Ltd.	Haste Fisheries Ltd.	123,044
Verreault Navigation Inc.	Les Pêcheries du golfe Saint-Laurent Inc.	559,160
Marystown Shipyard Ltd.	John Penny & Sons Ltd.	267,645
Marystown Shipyard Ltd.	Cargill Grain Co. Ltd.	460,244
Marystown Shipyard Ltd.	National Sea Products Ltd.	386,750
Gananoque Boat Line Ltd.	Gananoque Boat Line Ltd.	64,160

[Mr. Fox.]

1. (d) Fiscal Year 1976-77 to March 18, 1977:

Shipbuilder	Shipowner	Amount
Yarrows Ltd.	Her Majesty the Queen in righ of the Prov. of B.C. as represented by the Min. of Municipal Affairs.	754,446
Int'l Hydrodynamics Co.	The Peninsular & Oriental Steam Navigation Co.	100,000
Int'l Hydrodynamics Co.	Usesojuznoe Exportno-Importnoje Objedininije	161,887
Int'l Hydrodynamics Co.	Vickers Ltd.	149,308
Int'l Hydrodynamics Co.	Hyco Subsea Ltd.	190,906
Marlin Yachts Co. Ltd.	Sherwood Marine Inc.	69,929
Halifax Metalworkers Ltd.	Her Majesty the Queen in right of the Prov. of N.B. represented by the Min. of Highways	81,259
Bel-Aire Shipyard Ltd.	B.C. Dept. of Highways	49,556
Bel-Aire Shipyard Ltd.	Zapata Marine Service Ltd. S.A.	198,014
Bel-Aire Shipyard Ltd.	Seaspan Overseas Ltd.	46,645
Hawker Industries Ltd.	Sedco Inc.	675,793
Hawker Industries Ltd.	Marine Drilling S.A.	6,426,751
Hawker Industries Ltd.	Overseas Drilling Ltd.	3,476,330
Davie Shipbuilding Ltd.	The Cunard Steam Ship Co. Ltd. Ogden Saguenay Transport Inc., Ogden Ottawa Transport Inc., Athel Line Ltd.	7,174,077
Matsumoto Shipyards	Jaybel Nichimo Ltd.	32,352

CANADA WORKS AND YOUNG CANADA WORKS PROGRAMS—ADVERTISING

Question No. 2,148—**Mr. Brisco:**

1. What was the cost to date of all advertising in newspapers and other media to promote in 1977 the (a) Canada Works Programme (b) Young Canada Works Programme?

2. What was the total cost of advertising in newspapers in the Constituency of Kootenay West for the (a) Canada Works Programme (b) Young Canada Works Programme?

3. What was the total amount allocated to the Constituency of Kootenay West for the funding of the (a) Canada Works Programme (b) Young Canada Works Programme?

4. What was the total amount of all applications received from the Constituency of Kootenay West for the (a) Canada Works Programme (b) Young Canada Works Programme?

Hon. Bud Cullen (Minister of Manpower and Immigration): 1. (a) and (b) The Canada Works and Young Canada Works advertising programs were combined in one advertising campaign; Cost to date: 985,259.68.

2. (a) and (b) As noted above, campaigns were combined. Cost: $2,860.43

3. (a) Subsequent to the provision of an additional $50 million to the first phase of the Canada Works program, a supplementary allocation of $72,000 was made to Kootenay West, for a total allocation of $225,000. Under the program's second phase, the constituency will of course receive a share of the some $120 million to be committed to direct job creation. (b) Subsequent to the provision of an additional $20 million to this year's Young Canada Works program, the constituency of Kootenay West received a supplementary allocation of $51,000, for a total allocation of $117,000.

4. (a) $1,512,487; (b) $517,895.

FEDERAL EMPLOYEES INVESTIGATING CRIMINAL ACTIVITIES

Question No. 2,165—**Mr. Stevens:**

As of December 31 (a) 1968 (b) 1976, what was the number of federal employees engaged in investigating criminal activities?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as the Department of National Health and Welfare is concerned: (a) During the course of their duties, some 215 employees were involved in investigating violations of the Food and Drugs Act and the Narcotic Control Act. (b) Approximately 350 employees were involved in investigating violations of those acts mentioned in part (a) as well as violations of the Radiation Emitting Devices Act.

In so far as the Department of National Revenue is concerned: (a) General records disposal schedules of the government of Canada require that records be retained for a five-year period only. Therefore, information is not available. (b) 634.

In so far as the Royal Canadian Mounted Police is concerned: (a) 5,341; (b) 8,787.

FEDERAL INSPECTION OF MEAT

Question No. 2,167—**Mr. Stevens:**

As of December 31 (a) 1968 (b) 1976, what was the number of federal employees engaged in the inspection of meat and poultry for purity?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as Agriculture Canada is concerned: (a) 970; (b) 1,381.

In so far as Health and Welfare Canada is concerned: in 1968, the Health Protection Branch (then the Food and Drug Directorate) employed approximately 150 inspectors. By December 31, 1976, the figure had risen to approximately 225. These inspectors undertake activities related to food, drug, cosmetics, medical devices and radiation emitting devices. Slightly more than half of these inspectors spend their time on food safety matters. The inspection organization is involved in a wide variety of food commodities, including meat and poultry, fruits and vegetables, dairy products and beverages. The main responsibility for meat inspection in Canada lies with the

Department of Agriculture. Health Protection Branch inspectors do visit some meat plants. Specimens of various meats are obtained at both the retail and manufacturing level and are analyzed for microbiological and chemical content and, in some cases, for nutritional concerns.

FEDERAL INSPECTION OF IMPORTED GOODS

Question No. 2,168—**Mr. Stevens:**

As of December 31 (a) 1968 (b) 1976, what was the number of federal employees engaged to inspect imported goods?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as Agriculture Canada is concerned: (a) 177; (b) 207. Departmental personnel devote only a portion of their time in the inspection of imported goods.

In so far as the Department of National Revenue is concerned: (a) General records disposal schedules of the government of Canada require that records be retained for a five-year period only. Therefore, information is not available. (b) 726.

In so far the Ministry of the Solicitor General is concerned: inasmuch as the inspection of goods imported into Canada is primarily the responsibility of Revenue Canada (Customs and Excise), this question has only limited application to the Royal Canadian Mounted Police. The RCMP has on occasion, been involved in investigations, and has acted on information received, which resulted in members of the force examining goods which were unlawfully or lawfully, imported into Canada. The majority of such members would have been attached to our customs and excise sections which, in 1968, had an approved establishment of 151, and in 1976, an approved establishment of 237. As these sections carried the dual responsibility for both Customs and Excise Acts enforcement, it is not possible to provide a further breakdown of responsibilities.

FEDERAL INSPECTION OF SHIPS

Question No. 2,176—**Mr. Stevens:**

As of December 31 (a) 1968 (b) 1976, what was the number of federal employees engaged to inspect ships arriving at Canadian ports?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as Agriculture Canada is concerned: (a) 30; (b) 33. Departmental personnel devote only a portion of their time in the examination of ships.

In so far as the Department of National Health and Welfare is concerned: the number of quarantine officers employed to inspect ships arriving at Canadian ports: (a) 18; (b) 7.

In so far as Transport Canada is concerned: there are no employees in Transport Canada who were engaged exclusively to inspect ships arriving at Canadian ports. The number of employees on staff of the Ship Safety Branch of the Canadian Coast Guard available to inspect ships arriving at Canadian ports were: (a) as of December 31, 1968, 122.; (b) as of December 31, 1976, 176.

FUNDING WITHIN NATIONAL PARKS

Question No. 2,245—**Mr. Brisco:**

Are applications for funding by individuals, groups, organizations, municipalities or others within national parks given the same consideration as applications for funding from outside of national parks for (a) the New Horizons Programme (b) LIP (c) Canada Works (d) Young Canada Works and, if not, what are the details of the differences?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Health and Welfare and Manpower and Immigration as follows: (a) Yes. (b) Yes. (c) Yes. (d) Yes.

PROLIFERATION OF NUCLEAR STATIONS

Question No. 2,307—**Mr. Fortin:**

Are there any laws limiting the proliferation of nuclear stations and, if so, what are they?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: no. However, the construction and operation of these stations are controlled by the Atomic Energy Control Board, pursuant to the Atomic Energy Control Act and Regulations.

PASSPORT APPLICATIONS FOR CHILDREN

Question No. 2,370—**Mr. O'Sullivan:**

1. Is it standard procedure for the Passport Office to require that parents of children 16 years and under, must have their children's passport applications and pictures signed by the same guarantor as the parents and, if so, for what reason?

2. Is there a stipulation on passport applications that a guarantor must have known the applicant for at least a period of two years?

3. Can the parent's guarantor sign the children's application and pictures if he/she has not known the children for the required period of time?

4. Would the signature of another guarantor fulfilling this time requirement be acceptable and, if not, for what reason?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): 1. Children under 16 cannot apply on their own for passports. The parents apply and guarantors are required to know them for a minimum period of two years. While the guarantor generally could be expected to know the child for whom the passport is required, personal knowledge for a period of two years is not essential, particularly in the case of a very young child.

2. Yes.

3. See answer to part 1.

4. Not applicable.

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

Some hon. Members: Agreed.

[*Translation*]

THE ROYAL ASSENT

Mr. Speaker: Order. I have the honour to inform the House that the following communication has been received on May 12, 1977.

Government House
Ottawa

May 12, 1977

Sir:

I have the honour to inform you that the Hon. Jean Beetz, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor general, will proceed to the Senate Chamber today, the 12th of May, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be, Sir,
Your obedient servant,
Esmond Butler
Secretary to the Governor General

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

Mr. Speaker: The hon. member for Richmond on a point of order.

Mr. Beaudoin: I would like to ask government members, members of the opposition, as well as the NDP and my own colleagues to hear me out concerning changes that have to be made to our rules.

Whenever we have grievances, cases of encroachment upon our parliamentary or private rights as representatives of a political party in this House, we cannot express them because our rules forbid it.

I would ask Your Honour to give the Committee on Procedure and Organization the possibility of changing our rules so that between the hours of 7 and 8 or 10 and 11 in the evening, we may express our grievances and obtain a reply from the minister responsible for the CBC, the Canadian National Railways, or any other agency to obtain a specific answer concerning our grievance.

At the present time, in the case mentioned by the hon. member for Lotbinière (Mr. Fortin), a serious grievance has been expressed in the House but according to our rules Your Honour does not have the possibility of allowing the minister responsible for the CBC or other agencies to reply. I hope that eventually we shall truly solve this problem once and for all.

Mr. Speaker: Order, please. The hon. member for Richmond has certainly raised an important and interesting question. In my opinion, one of the weaknesses of our procedure in Parliament is the lack of opportunities for private members to express grievances according to the Standing Orders; one aspect of the political life of an elected representative consists in expressing grievances in the House. In general, it is easy to do so by asking questions, but this is not absolutely perfect for this purpose. However, it is possible for a few members to ask questions at ten o'clock, but this is limited to two or three members maybe twice a week.

This is a very interesting question and I hope that the Standing Committee on Procedure and Organization will be able to find a means to allow members to express their important grievances and to request an immediate reply from the government.

● (1530)

[*English*]

Mr. Speaker: Order, please. Orders of the day.

GOVERNMENT ORDERS

[*English*]

CRIMINAL LAW AMENDMENT ACT, 1977

AMENDMENTS TO CRIMINAL CODE

The House resumed, from Wednesday, May 11, consideration of the motion of Mr. Basford that Bill C-51, to amend the Criminal Code, the Customs Tariff, the Parole Act, the Penitentiary Act and the Prisons and Reformatories Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, yesterday before debate on this bill concluded I gave the Minister of Justice (Mr. Basford) notice of my intention, as a solicitor, citizen and one charged with responsibility for making a decision on the bill in this House, to voice my concern about the electronic surveillance provisions of the bill. I said that if the minister was proposing a far-reaching change in law affecting the civil rights of people in society, then he is under the duty of explaining to the House of Commons why the practice established under that earlier bill introduced in the twenty-ninth parliament ought to be changed.

The minister did not, during his speech introducing this bill, deal with that point to any great extent. Perhaps he will differ with me. Nevertheless, I suggest he ought to deal with it substantially. He is asking the House to grant to our police forces powers they do not now possess under the law. If he seeks to change the law concerning privacy in this manner, he is under a heavy onus to prove the need.

I will not take up much of the time of the House. The opposition does not intend to delay this bill. Before concluding, I pay tribute to the hon. member for Calgary North (Mr. Woolliams) whose remarks of yesterday on the content of this bill deserve the commendation of all hon. members. He showed how far our jurisprudence as interpreted by the courts has strayed from the law we thought we had established in 1973. By presenting his argument forcefully, clearly and succinctly, he did a great service not only to the legal profession and the courts but to parliament and the people of Canada.

We are all in his debt for the work that obviously he did in preparing his argument. It was well handled, well in keeping with his pre-eminence as a member of the Bar of Alberta.

I also pay tribute to the former member for St. Paul's, Mr. Ronald Atkey of Toronto, who served in this House in the twenty-ninth parliament. He led the battle in 1973 against the use of sophisticated electronic surveillance devices snooping into the day to day lives of Canadians and their documents. While such snooping may to a certain extent be inevitable in our society, he insisted, against the objections of the then minister of justice, on including in the bill then before the House certain safeguards or limitations governing the conditions under which surveillance could be carried out. I have read several times what he said in this House, and I commend to hon. members a reading of the speeches made on the bill in 1973.

I suggest that because of our determined opposition a sense of justice and fair play became evident in the government's approach to amending the Criminal Code. The amendments proposed under this bill can in part undo that which was fair and just. Therefore, we should not lie down, as it were, and say there is not a battle to be fought—because there is. Any time a free society accepts an amendment which without justification provides intrusion into the private lives of citizens by unusual and electronic means, by means too complicated for the ordinary citizen to understand, freedom in that society is diminished. That is what I am afraid of, and that illustrates my concern about this bill.

As reported in *Hansard* at page 3477 of May 7, 1973, Mr. Ronald Atkey spoke these words in the House of Commons:

> To put my jurisprudential premise at its simplest, I believe that in a free society the right to privacy should be protected by law and that there should be derogations from this protection only where public need is clearly demonstrated by those who seek to use means to invade privacy in a rational way for the public good. The onus should always be on those invading privacy, not on those seeking the legal protection of the right.

Those are important words, straightforward and easy to understand, whether one is legally trained or not. Simply and fairly, they put forward the proposition the minister must answer. Really, the minister is saying that society in general, the members of which are just as interested as the Attorney General of Canada in defending individual rights, should grant the minister those powers he seeks in the bill without asking him to defend his request for such powers. We take that position. It is important for the House of Commons to speak loudly, and for its members to protest loudly against the government's attempt, no matter whether it is well-intentioned, to intrude one step further into the right of privacy, the right of civil liberty, the rights which accrue to any member of a free society, without first coming to parliament or one of its committees to justify what it is doing. They have not done so thus far. Until they do, this bill is a suspicious one, and the onus that is on the government as set forth by Mr. Atkey has not been satisfied.

[Mr. Baker (Grenville-Carleton).]

• (1540)

Mr. John Gilbert (Broadview): Mr. Speaker, yesterday we heard speeches by the Minister of Justice (Mr. Basford) and the main spokesmen of the opposition parties. I have never heard such an exchange of flattering remarks concerning the Minister of Justice, the hon. member for Calgary North (Mr. Woolliams), and the hon. member for New Westminster (Mr. Leggatt). In fact, I heard somebody say they were statesman-like speeches. My definition of a statesman is a dead politician. Therefore, I am not going to make a statesman-like speech today. I am going to tell it the way it is with regard to Bill C-51.

I say to the Minister of Justice that he has abdicated his responsibility to Canadians to make certain there is adequate protection for the safety and security of law-abiding citizens and to protect the legal rights and dignity of the government. That is the first comment I have with regard to the Minister of Justice. Second, the Minister of Justice has surrendered to the pressures of the gun clubs with regard to firearms, and to the police on wiretaps, thereby endangering the safety and freedom of most Canadians.

With regard to the main spokesman for the Conservative party, the hon. member for Calgary North, after making a fine speech showing the shortcomings and failures of the legislation, ended his speech by making a motion to refer the subject matter to the committee which would, in effect, kill the bill. To me and to many other people that was an irresponsible action with regard to a very important matter.

Mr. Woolliams: Mr. Speaker, I rise on a question of privilege. I would have thought the distinguished member who is now speaking would have told it as it really is. My motion was within the rules of second reading as far as I could go. I set out very clearly that it was being done so that the committee could sever the bill. The bill would be severed into the five different parts of the legislation so that we could pass our opinion as parliamentarians according to our responsibility. I think it ill behooves this member to misrepresent the position I took yesterday.

Some hon. Members: Hear, hear!

Mr. Basford: Mr. Speaker, I wish to intervene for a moment on this question of privilege. I think the hon. member for Calgary North (Mr. Woolliams) has stated the position correctly. While I will oppose his motion, I do not think it has the effect that the hon. member for Broadview (Mr. Gilbert) is suggesting. That, of course, is the difficulty when the hon. member for Broadview tries to be a politician rather than address these important matters of justice and law like a statesman, as he should.

Some hon. Members: Hear, hear!

Mr. Gilbert: Mr. Speaker, when I look at the content of the bill, I think the Minister of Justice far outstrips me as a politician. He certainly does not appear like a statesman when I read the provisions of the bill. It is a cop-out with regard to

some of the main problems affecting the peace and security of most Canadians. If the motion of the hon. member for Calgary North were accepted, this bill, for all intents and purposes, would be killed.

Mr. Woolliams: Mr. Speaker, I rise again on a question of privilege. I do not know how much clearer I can put it to the distinguished member. If the hon. member reads the motion, he will see it clearly states that the Standing Committee on Justice and Legal Affairs can direct that the bill be severed, sent back to this House and debated in the normal way on the five points. If he does not understand that, then I am sorry for him.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker—

Mr. Baker (Grenville-Carleton): Now, Stanley, you stay out of it.

Mr. Knowles (Winnipeg North Centre): Why should I stay out of it? It is a point of order which is being used to try to twist the situation. The motion which the hon. member for Calgary North (Mr. Woolliams) made yesterday is very clear. It asks that the bill be not now read a second time but that the subject matter be referred to a committee. The hon. member stated that his purpose is to get that committee to recommend the splitting of the bill. However, if his motion were to carry the committee would not have the bill: it would have only the subject matter. Notwithstanding what the Minister of Justice (Mr. Basford) tried to say, that would be the end of the bill for this session.

Mr. Baker (Grenville-Carleton): No.

Mr. Knowles (Winnipeg North Centre): It has been ruled scores of times that a motion to refer to committee the subject matter of a bill precludes its second reading. If you do not give the bill second reading, there is no bill.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on this question of privilege. Clearly, what the hon. member for Winnipeg North Centre (Mr. Knowles) says is so, if the government does not act. Surely, if the government is intent upon the provisions of the bill as they now stand, and I take it they acted seriously, if the hon. member's amendment passes and the bill goes back to the committee—

Mr. Knowles (Winnipeg North Centre): Not the bill.

Mr. Baker (Grenville-Carleton): If the subject matter went back to the committee, and the committee made a recommendation—which it would do with reasonable speed because the object of the hon. member for Calgary North (Mr. Woolliams) is so clear and so helpful to the House that they would so act—it would still be the intent of the Minister of Justice to bring that new bill into the House of Commons, and the House would deal with them properly. That was the whole point of the argument made yesterday and the day before by the colleague of the hon. member for Winnipeg North Centre. I do not know how that party can suck and blow at the same time.

Mr. Leggatt: You want to kill the bill. We do not.

Mr. Baker (Grenville-Carleton): A very eloquent argument was made by the hon. member for New Westminster (Mr. Leggatt) that it was immoral and wrong for the bill to be dealt with in that way. What the hon. member for Calgary North has done is provide a way for this House to deal with the subject matter of the bill properly and in accordance with the position taken by the hon. member for New Westminster.

Mr. Woolliams: Mr. Speaker, if I could answer the argument of the hon. member for Winnipeg North Centre, I would like to ask the distinguished member what we are talking about when the subject matter goes back to the committee. Let's not play ducks and drakes with words. The bill is full of subject matter. It is made up of five things. What are those five distinct things? There are the questions of gun control, electronic surveillance, dangerous offenders, parole, and prison reform. That is the subject matter of the bill. When the subject matter goes to the committee, the bill goes to the committee.

Mr. Knowles (Winnipeg North Centre): No, not the bill.

Mr. Woolliams: If that is not the procedure of the House of Commons, then there is something wrong with it.

The Acting Speaker (Mr. Ethier): Order, please. The point raised by the hon. member for Calgary North (Mr. Woolliams) is well taken. I do not think any hon. member should reflect on the amendment put forward by the hon. member for Calgary North. I would therefore suggest that the hon. member for Broadview (Mr. Gilbert) should resume debate on Bill C-51.

Mr. Gilbert: Mr. Speaker, I and many others are very concerned about the problem of peace and security for most Canadians. It is the intention of those of us in the New Democratic Party to vote for the bill because of the necessity to ensure the safety of Canadians, even though parts of the bill restrict their fundamental freedoms.

I was hoping the Solicitor General (Mr. Fox) would speak before me. I was going to say that the provisions with which he is going to deal, dangerous offenders and release of inmates from custody, concern the effects of crime and not the cause. Therefore, we in the New Democratic Party find it is necessary to support the legislation in order to give a small measure of security at the price of infringement of personal liberties.

What is the problem? On March 8, 1976, on the introduction of second reading of Bill C-83, the Minister of Justice set forth the problems in Canada concerning peace and security. This is what he said, as recorded on page 3 of his statement:

● (1550)

Few would dispute that many people today are deeply and genuinely concerned about the increasing incidence of criminal violence, the growing penetration of organized criminals in our midst, the number of accused or convicted offenders on the streets committing further crimes and the difficulties the system of justice has in coping with criminal activities.

He went on to say:

> This is not to suggest for a moment that crime in Canada is out of control. Indeed, it is not, and our timely response to these concerns will ensure that it does not become so.

In addition to setting forth the problem, the minister outlined his attitude in this way:

> The criminal justice system is both a powerful and delicate instrument for achieving justice and order. In adjusting the policies underlying it we must exercise great care to guard the continued proper balance between the system's two imperatives: the adequate protection of the safety and security of the law-abiding and the legal rights and dignity of those charged with offences.

He set this forth in a clear and concise way back in March of 1976. Here we are, in May, 1977, with Bill C-51 before us, and his response to the problems which he set forth is, to my mind an abdication and a surrender. It is an abdication with regard to the duty providing adequate protection of the citizen, and it is a surrender to the gun clubs on the firearms issue.

I shall deal only briefly with the firearm question, because my hon. friend from New Westminster yesterday set forth our position in detail. What is the problem? These are the facts from the booklet which was published by the Department of the Solicitor General. They say there are 10.2 million firearms in Canada, and this number is increasing at the rate of about 260,000 annually. The department also states there has been a substantial increase in deaths and robberies in which firearms have played a part. There has, in fact, been a sweeping increase in the number of deaths caused by firearms and in the number of robberies in which firearms have been used.

Yesterday, in the most eloquent terms he could muster, the minister spoke about the availability of guns. He told us how easy it is for a person to go into a department store and buy a gun. Other members reminded us of various horrific incidents, for example, those at Brampton and in Ottawa involving students who went berserk and killed other students. Then there was the mental patient who, after his release last October, went to a store, purchased a gun, proceeded to wound five people in Toronto and then turned the weapon on himself. What is the attitude of the public? Gallup polls have shown without a doubt that between 80 per cent and 85 per cent of all Canadians want strict gun control.

Mr. Brisco: Garbage!

Mr. Gilbert: The Gallup poll to which the minister referred yesterday reflected answers to questions which asked, in general terms, whether a person should be required to possess a permit before being allowed to buy a gun. The answers showed that between 80 per cent and 85 per cent of all Canadians want strict control to be exercised over the purchase and use of firearms.

What has been the response of the minister in this legislation? It is that if a person owns a long gun, he may continue to use it without having to register it, without having to secure a certificate of competency or a licensing certificate. In short, nothing is required of those who already possess long guns. But the bill does provide that if a person wishes to buy a gun he must possess a firearm acquisition certificate, and conditions are imposed with regard to the obtaining of such a licence. For example, such a person must be without a criminal record or history of mental disorder. But I would point out, Mr. Speaker, that this relates only to the purchase of a gun. Nothing is said with regard to a person already in possession of a gun.

Moreover, cleverly shifting the onus, the Minister of Justice says that provincial attorneys general may request the federal government to require that certificates of competency be issued within provinces. Mr. Speaker, this was not within the terms of Bill C-83. As I say, the minister is doing nothing about people who already have guns in their possession. He is only imposing restrictions on those who propose to buy guns, and he is shifting the responsibility from the federal government to the provinces in the area of competency tests.

No one in this House complains about persons who hunt or trap to support themselves or their families, and no one wishes to impose upon them measures which would be restrictive and onerous. But as far as other classes are concerned, most Canadians want restrictions. Possession of a firearm is not a right, but a privilege, and conditions should be imposed upon ownership. Thus, we need provision for registration, competency tests and licensing. Why? Because we must control availability. The proliferation of guns has been enormous. Not only the federal government, but provincial governments should restrict the sale of guns in stores. They should be sold in stores which are government-approved and inspected.

Mr. Brisco: With government inspectors?

Mr. Gilbert: Absolutely. Controls should be imposed with regard to the possession of guns. That is why the minister, in Bill C-83, attempted to impose competency tests. This is why I say the minister has caved in to the pressure of the gun clubs.

• (1600)

Let me relate to the House what happens in gun clubs in England. Members of gun clubs do not take their guns home and leave them there; they leave them on the premises of the gun club, where they are properly secured and a count is easily available. This is what is required of members of gun clubs. All others who are not members of gun clubs and who are in possession of guns surely have some responsibility regarding those guns. This is why it is so important to know the number of guns in circulation. We may have to impose registration but, more important than registration, we have to impose some form of licensing.

We accepted the approach of the Minister of Justice in Bill C-83, which he said would have taken three years to phase in. I suggest the approach of the government in Bill C-51 will take at least 20 to 25 years to implement. I repeat, Mr. Speaker, that registration of hand guns in Canada gives the proof of the requirement of registration. We must register hand guns, and rightly so. The number of murders committed by persons with hand guns in Canada compared to the number of murders committed by persons with hand guns in the United States proves my point. In Canada, 10.4 per cent of all murders are committed by people with hand guns; in the United States the

figure is 54 per cent. Does that not prove the necessity of registration and control of guns? In Canada, 46 per cent of all murders are of the domestic kind—murders committed within the family, among acquaintances or neighbours. Of that 46 per cent, 72 per cent are committed by people with rifles which are not registered and are easily available.

All of us are in agreement with the expanded powers of judges to restrict the use of guns. There are mandatory provisions and there are discretionary provisions, and power is given to a peace officer to take away guns without a warrant in disputes involving the family, acquaintances or neighbours. That is not in issue, Mr. Speaker. What is in issue is what is contained in this bill. I respectfully submit the minister has caved in; he has shifted responsibility to the provinces and, in doing so, has endangered the lives of Canadians. This government will have to accept responsibility for deaths in the future caused by carelessness with and failure to control the availability of guns. Those are my comments with regard to firearms, Mr. Speaker.

With regard to electronic surveillance, the House will recall what I said about the famous speech of the Minister of Justice of March 8, 1976, in which he said he wanted to protect the legal rights and dignity of individuals. He set forth that there should be no invasion of privacy, but he said that we had to make certain exceptions. What are these exceptions, Mr. Speaker? The minister said, "I think there should be a right to wiretap in regard to indictable offences carrying a sentence of over five years"—I think it was. In this bill the minister wants to expand this provision to bookmaking and smuggling as well as to organized crime.

With regard to notification, the minister said, "I think a person should be notified not after 90 days have expired but any time between 90 days and three years". On the subject of intercepts, the minister said, "It should not be 30 days; experience has shown the average has been about 54 days; therefore it should be 60 days for intercepts, with the right of renewal". Then the minister comes right to the nub of it and talks about derivative evidence. The minister says that use will not be made of the complete transcript of illegal wiretaps, but part of the transcript may be used.

If I were living in the United States, perhaps I would feel that that type of legislation is appropriate; but this very provision is totally opposed there. We now have a movement in England which claims that experience has shown that derivative evidence obtained from illegal wiretaps is not a good rule and that in no time at all changes regarding that type of evidence will be made. We have had some experience of wiretap laws in Canada—and what has been the performance? The performance in 1974, 1975 and 1976 shows that there has been almost no refusal to tap on the part of the police. Last year, 614 applications were made under the legislation, none of which was refused. More importantly, last year 1,062 people were arrested as a result of taps yet there were only 13 convictions. Surely, the obvious inference from that is that there are very few charges laid, and very few convictions obtained. It is also obvious that the police are not reaching the so-called untouchables in crime.

One reason put forward when the wiretap legislation was presented a few years ago was that we had to get to the heart of criminal activity. I should like to quote to the Minister of Justice and the Solicitor General some of the remarks of Ramsey Clark, former U.S. attorney general and opponent of electronic surveillance, in his testimony before the justice and legal affairs committee in 1973. Please remember, Mr. Speaker, that these are the remarks of a former attorney general of the United States who worked very closely with Senator Edward Kennedy who wanted strong electronic surveillance provisions.

He said that wiretapping was not used between 1966 and 1969, yet indictments against members of organized crime tripled. He concluded that wiretapping is a wasteful and inefficient means of investigation and is not, moreover, effective against organized crime. Having had very wide experience, Mr. Speaker, a former U.S. attorney general has gone on record as saying that indictments against members of organized crime tripled, yet no use was made of electronic surveillance. He also said wiretapping destroys the professionalism of investigators, that electronic surveillance encourages, not investigation but just sitting and waiting for something to happen.

● (1610)

This is what a good number of the members of our police force will be doing. It is enormously expensive; for example, the use of laser beams that can pierce walls up to 12 feet thick. Such all-encompassing eavesdropping evades human dignity. This is the example he gave: the listening in on the sexual activities of Martin Luther King and the subsequent use of this information to smear Martin Luther King's reputation.

I have heard the spokesman for the Conservative party speak, the hon. member for Grenville-Carleton (Mr. Baker), and the spokesman for our party. They spoke in very eloquent terms in regard to how it destroys the basic freedoms of people, how it endangers, how it infringes and how it destroys the human dignity—not only of the police but of the public. This is why we are concerned about the firearms' legislation and the electronics' legislation.

The next subject I am going to deal with is something the Solicitor General will also deal with. That is, dangerous offenders. We have learned from experience the shortcomings of the present provision of habitual offenders and dangerous sexual offenders. Experience has shown that some of these people were not violent. The best case was the Klippert case which finally went to the Supreme Court of Canada. We have also seen lack of uniformity with regard to application of the legislation concerning habitual offenders and dangerous sexual offenders.

The Ouimet report studied this in depth wherein it was stated that we are now going to change the habitual offender and the dangerous sexual offender to one title—"dangerous offender". I would have thought the minister would have

picked that up from the Ouimet report. The report indicated that before an application to make a person a dangerous offender is made, which carries with it an indeterminate sentence, such person should be confined for six months in a diagnostic institution. This institution would have facilities to diagnose the person's problems and may or may not have treatment available. After that we could determine whether a person should be classified as a dangerous offender. I do not see that recommendation in the legislation. All I see is some protection with regard to the person. The protection is composed of the fact that the application requires the consent of the attorney general and requires evidence from a psychiatrist and a psychologist which can be tendered on behalf of the person who is being termed as a dangerous offender. The other protection is that three years after the sentence and two years thereafter the decision can be reviewed.

I would like to ask the Solicitor General, with regard to the question of violence, to look at the study by Professor Greenland of McMaster University who studied this problem in depth. He studied five groups, Mr. Speaker. The first group was of 100 people who had committed violent crimes against persons and had been found not guilty by reason of insanity. Also included in that group of 100 was another group of people detained in the Ontario mental hospital because they were found unfit to stand trial. These were serious offences—murder, manslaughter, sexual offences and violent offences. The second group was a group of 100 people who were inmates of penitentiaries who had been found guilty of the same types of offences. The third group was one of 96 people who were currently incarcerated as dangerous sexual offenders. The fourth group consisted of people involved in murder followed by suicide. In the last five years, in Ontario, 65 individuals have murdered, usually their children, then their spouses and then destroyed themselves. The last group was with regard to the battered child.

What were the conclusions with regard to this problem of violence? This is what we are dealing with under the dangerous offenders section. Professor Greenland's conclusions were as follows: First, there was a tremendous overlap in all these groups and in all these cases. The same people and the same members of families appeared in each of the five studies. It was dealing with violence, which takes on many forms but often involves the same individuals and families.

Second, and this is the most important part, almost all the individuals studied had a common experience of severe deprivation in childhood. They were victims of inadequate child welfare and health services which failed to provide them with a basic system of care and protection. There has been a cycle of deprivation passed on from generation to generation, thereby multiplying violence and abuse in our society. His third point was that between one-third and one-half of the cases of violence, more especially criminal violence, involved alcohol and drug abuse. Lastly, in half of all the cases involved there was adequate warning and help-seeking behaviour. In other words, the person would have a mental problem; the mother of a young family would seek help; and the failure to deal with that problem resulted in the subsequent conduct.

Is it any wonder that we cannot deal with the question of dangerous violence in isolation? This is why we must have programs to deal with environmental stresses—the problems of poor housing, the problems of poverty and the problems of unemployment. We have to set up research to identify the problems and to identify the persons. What the minister has done does not begin to touch the very serious problem with regard to violence. It deals with the effects; it does not deal with the causes.

Dealing with the problem concerning the custody and release of inmates, I am sure no member in this House can complain about those provisions. There is a tightening up of provisions with regard to prison escapes. The increase is from five to ten years. There is an abolition of statutory parole in favour of earned remission, which is a step in the right direction. There is an improvement with regard to release. There is an increase in the number of members who will be appointed to the board. There are amendments with regard to the Prisons and Reformatories Act. One cannot complain about those measures. The measures on firearms, electronic surveillance and dangerous offenders cause a great deal of concern to most Canadians.

In closing, I would repeat that the provisions of this bill do not provide adequate protection for the safety of most Canadians, more especially with regard to firearms, and the provisions of electronic surveillance infringe the fundamental freedom of most Canadians. Mr. Speaker, it is a cave-in, in many respects, by the Minister of Justice. It is weak medicine for a very sick society.

• (1620)

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, I am particularly pleased this afternoon to participate in the debate on Bill C-51.

As we know, this bill proposes major amendments to the Canadian Criminal Code and related acts. Its main object, and some people could be inclined to forget it, is to give Canadian society better protection against those individuals who commit violent crimes. Yet in so doing the legislator must always bear in mind the importance of reaching a measure of harmony between the protection owed to law-abiding citizens, the respect of their rights as well as the rights of any individual facing a charge.

There is no doubt in my mind, Mr. Speaker, that society not only has the right but the duty to protect itself against those who commit crimes, particularly in the case of violent crimes and that in performing this part of its mandate, the government is not only bound to carry out punitive measures, namely those steps taken after a crime has been committed, but also to apply measures of detection likely to help the police in getting their job done and finally to adopt an increasing array of preventive measures concerning rehabilitation of prison

inmates and what can be done to help reduce the number of crimes committed in our society.

However, it goes without saying that as far as preventive measures are concerned, one cannot expect, as the hon. member from Broadview (Mr. Gilbert) would imply, that this whole task can be accomplished thanks to the Criminal Code alone. It goes without saying that all the other governmental social policies must play a part in helping us meet this objective.

[*English*]

I would argue, Mr. Speaker, that the measures we have before us today are in keeping with these principles. They are aimed at keeping that delicate balance between protection of society and the rights of individuals while, at the same time, being responsive to emerging concerns about crime.

The Minister of Justice (Mr. Basford) has already outlined the proposals to you, Mr. Speaker, but as Solicitor General I would like to take some time to reinforce some of his points and to expand on some of the measures for which I bear a special administrative responsibility. I would like to discuss, first, the proposal in Bill C-51 concerning firearms, and if I repeat some of the themes and points of my colleague, the Minister of Justice it is because I share his very deep concern on this question.

Hon. members will, of course, have noticed a number of significant changes in the proposals contained in Bill C-51 as compared with those contained in legislation introduced last year. Reconsideration was given over the course of last fall and winter to the many suggestions made by MPs and by concerned groups.

As a result, several changes have been proposed, especially to the provisions dealing with the prevention of potentially dangerous users from gaining access to firearms. Instead of a universal licensing system, Bill C-51 provides for the screening of all new acquirers through the requirement for a firearms acquisition certificate. In addition, there is an element of what might be called "negative screening" for present owners who are shown to be demonstrably unfit in the opinion of a judge. The expanded potential involvement of provincial systems calling for competency testing, and the possibility of certificate equivalents in such circumstances, is an innovation which could very well lead to making the legislation even more effective.

[*Translation*]

And concerning that, Mr. Speaker, I think it is an innovation which has not been noticed until now by most commentators. It is obvious that as government we have the responsibility to make legislation under our jurisdiction over criminal law, and we have the authority to do so. In fact, the question of jurisdiction has been raised by the hon. member for Broadview (Mr. Gilbert). For him, it is the solution to the problem: that area is under the jurisdiction of the provinces. We have attempted in our bill to encourage provincial governments to exercise their authority, their jurisdiction, because we strongly believe that stricter requirements in competency and firearms use training could only have beneficial effects.

[*English*]

But in saying this I cannot stress too strongly the point that the over-all principle is maintained in the bill we are discussing now. Nor can I emphasize too much the fact that action is required on this issue. I urge hon. members, Mr. Speaker, to ask themselves the fundamental question of whether it is acceptable that long guns continue to be as easily accessible as they are today to people clearly unfit to own them. This is the key concern I have; this is the key concern the government has.

The danger of a situation where someone may walk out of, or escape from, a prison or mental hospital and purchase a shotgun, rifle or semi-automatic weapon and ammunition with absolutely no questions asked was never brought home to Canadians more clearly, or more brutally, than last winter in the incident in Toronto described by my colleague. Other tragic incidents—in Brampton, Vancouver, Whitby—have shocked the public in the last several months.

I cannot but repeat the statistics cited by others in this debate concerning the rising toll of firearms deaths in Canada, up 27 per cent since 1970 to over 1,400 in 1974. Firearms murders have risen 46 per cent since 1970. Firearms robberies in 1975 increased by 53 per cent over 1974. We simply must make an effort to stop this shocking trend. The key to the problem, as I have said before, and as the Minister of Justice has said before, is the too ready availability of such weapons to the unstable and criminal. For this reason, the government is proposing measures directed toward three main goals: first, of reducing the access that potentially dangerous users have to firearms; second, of discouraging the use of guns in criminal activities; and third, of promoting responsible gun ownership.

In suggesting proposals to fulfil these objectives, the government is mindful of the need to balance the need to protect society with the need to protect individual rights and freedoms. Furthermore, care was taken to balance our aims with regard to reducing the misuse of firearms with those of providing services which maximize both efficiency and effectiveness. This, I believe, has been achieved by providing for the enlistment of already existing groups and agencies at the provincial level and in the private sector, and by cutting red tape and bureaucracy to the bare minimum necessary to accomplish the goal.

As Solicitor General, I might be expected to have the most enthusiasm for the measures which crack down on the criminal misuse of guns, and I do strongly support the provisions which impose stiffer penalties on people using firearms in the commission of crimes, including a minimum mandatory sentence of one year for a first offence and three years for a subsequent offence. Also, there are new penalties for use of a firearm while committing or attempting to commit an indictable offence. This sentence, which could be as long as 14 years, would run consecutively to a sentence imposed for the commission of the substantive offence.

Provision is also made for increasing the maximum penalty to five years for several other firearms offences, and to ten

years in cases of possession of a weapon for a dangerous purpose or to commit an offence. These are important parts of this legislation. They constitute a clear indication to the courts that parliament, if it adopts the bill, will not condone the criminal use of weapons and that the legislative will is to see stiff sentences imposed in such cases. But in saying this I must again stress the importance of not losing sight of the fact that most of our crime with firearms is not committed by people we would normally think of as hardened or professional criminals. Two-thirds of our murders occur in circumstances where the victim and the murderer are either related or have had previous relationship with each other. Too often neighbourhood disputes or family quarrels are transformed into tragic incidents by the ready availability of a firearm.

In order to keep such dangerous weapons out of the hands of those unfit to use them, the government proposes that new acquirers of guns be required to apply for a firearms acquisition certificate, which would then enable a firearms officer to ascertain that the applicant had no record of conviction for an indictable offence under the firearms sections of the Criminal Code, nor for an indictable offence involving the threat or use of violence during the previous five-year period. Further, a check would be made to verify that the applicant had no known record of violent behaviour or treatment for a mental disorder associated with violence.

As you can see, Mr. Speaker, these proposals make use of existing information and do not place an onerous burden on responsible citizens who would acquire firearms, while at the same time providing an essential and fairly simple method of screening-out new acquirers who are clearly unfit to own or handle firearms. Those who already own firearms but who are considered to be potentially dangerous could be subject to court-ordered prohibitions.

● (1630)

I would like to make it clear that the onus would be on the peace officer applying for a prohibition order under clause 98(4) to satisfy a judge that the gun owner is not fit to possess a weapon. Other clauses provide for the seizure of firearms in potentially violent situations without a warrant, but subject to later justification before the court.

Responsible use of firearms is encouraged by the active promotion of safety and competency training in all provinces. In fact, clause 106 of the bill authorizes agreements with the provinces designed to maximize co-ordination of the firearms part of the bill with provincial laws and programs dealing with game hunting, firearms competency testing and firearms safety training. This would enable some provinces to substitute hunting licences or competency certificates in place of the federal firearms acquisition certificate, though the normal screening procedure would apply to the substitute firearms acquisition certificate. Such programs can be a prime vehicle for participation by gun clubs and wildlife associations, which are equally concerned about the responsible use of such firearms.

[Mr. Fox.]

For the minority of gun users who use, carry, handle or store their firearms or ammunition in a careless manner, thus endangering themselves or others, provision is made for legal penalties. It is not anticipated that there will be many charges under this clause, especially since many gun clubs now carry out the training function which educates new gun owners on the proper and safe use and storage of weapons. But the fact is that many gun owners are not members of such clubs, nor are they covered by provincial competency test requirements, and the misuse of weapons by such people leads us to propose these penalties.

Care has been taken in the development of these proposals to take into account special needs and special situations, and for this reason several exceptions and modifications to the basic plan are built into the measures. Many of these modifications were developed as the result of concerns raised during consideration of legislation brought before the House of Commons last year.

[*Translation*]

It is fair to say, Mr. Speaker, that this legislation reflects the government's and the public's concerns that a stop must be put to increasing firearm abuse, without undue restrictions upon legitimate use, for leisure or as a livelihood by a number of responsible Canadians. The current system, including the review of police records, prohibition by the courts, public and private provincial proficiency and safety courses, should help reach that goal without the need for a huge bureaucracy, and at minimal cost to the user and the taxpayer.

The proposals put forward after discussions with the Association of Police Chiefs, provincial governments, gun clubs, wildlife societies and native groups are both practical and reasonable in my view.

I hope they will receive favourable consideration in this House and will soon become law. I would now like to review the provisions in the bill now before us dealing with detention and release of inmates, a specific responsibility of the Solicitor General's department. While discussing those provisions, we should remember that this legislation has two goals, which is protecting the Canadian public against crime and humanizing our laws, making them fairer and more equitable.

Of course, these two goals must be considered in the broader context of the commitment made by the government to have its programs and its policies continuously reviewed as to their efficiency and flexibility. Therefore, Bill C-51 should be regarded as the latest of a long series of measures designed to improve the penitentiary system and to adjust it to changing situations and concerns, with a continuous view to ensure protection and justice.

This means some parts of our criminal law and regulations must be strengthened to give Canadians better protection against dangerous and violent criminals whereas other parts of the legislation and regulations can be changed to humanize the penitentiary system. I would like to set out briefly some of the changes that were put forward in these two general areas.

Many measures to ensure better protection for Canadians are submitted to hon. members' attention. Although the number of escapes has considerably decreased in recent years, and hon. members will hopefully consider the recent developments in this regard, Mr. Speaker, the government is determined to move forward and ensure that inmates convicted by the courts to serve their sentence in a penitentiary be kept in safe custody throughout their sentence. For this purpose, we propose to increase from five to ten years the maximum sentence for escaping or attempting to escape from a penitentiary.

From now on temporary leaves without escort will be authorized by the National Parole Board rather than the Penitentiary Service. Therefore, all leaves without escort in the community will fall under National Parole Board jurisdiction and thus the law will be more consistently enforced throughout the country. There will be delegation of powers from the board to penitentiary authorities for specific classes of inmates and under conditions prescribed by the board. Under that provision, the board will have the power to authorize the Penitentiary Service to grant temporary leaves without escort to inmates considered less dangerous and to concentrate its attention on dangerous offenders, of those having committed serious crimes and who cannot leave unescorted, without the authorization of the Board. The number of National Parole Board members will be increased from 19 to 26 so that the board will be able to study each case more carefully.

This bill also provides for the appointment of regional teams of the National Parole Board. The members of the community will participate in decision making concerning the release of inmates convicted of murder or placed under preventive custody. Those members could be representatives of police forces from any area, representatives of provincial, municipal or local authorities, members of local community labour or professional associations. The bill proposes also the addition of a provision providing for the arrest of inmates and their immediate return accompanied by an armed escort, under a warrant delivered by order of the parole board pending the cancellation of a suspension order or the annulment of the release on parole. It will be proposed to issue a regulation under the parole legislation so as to ensure better control over the release of prisoners. That regulation would forbid the board to release an inmate on parole before he becomes eligible.

Second, offenders convicted of certain violent crimes and who have already committed violent crimes in the past will not be eligible for release of parole until they have served half of their sentence or seven years, whichever is the shorter period. Most inmates are now eligible for release on parole after they have served one third of their sentence or after seven years, whichever is shorter.

Third, no inmate will be eligible for temporary leave without escort if he has not served six months of his sentence or half of the period preceeding his date of eligibility, for release on parole, whichever is the longer period.

Under the current legislation, no prisoner can go out unescorted on a temporary leave of absence before completing six months of his prison term. The bill maintains the exceptions for convicted murderers and prisoners in a number of other categories. Before they become eligible for parole, these must have served a larger share of their sentence.

Mr. Speaker, the new legislation would also repeal statutory remissions. Following the coming into force of the new legislation, no prisoner would have his sentence automatically reduced by one fourth. Instead, he would have to deserve any remission he could get. If he mends his ways, fulfills his work duties and complies with the regulations of the institution, the prisoner who is not entitled to parole may obtain a leave of absence after having served approximately two thirds of his term. The clauses which provide that all sentence remissions must be deserved, that no part of this remission is automatic and may be lost if the prisoner behaves reprehensibly, will hopefully compel prisoners to assume more fully the responsibility for the advancement of their liberation. This should promote a better operation of our institutions, especially through increased participation in penitentiary programs. This last proposal, Mr. Speaker, shows that the two objectives of protection and humanity are closely related, since the concept of the deserved reduction of penalty implies responsibility on the part of the inmate and the notion of responsibility extends to the notion of right.

With your permission, I will now describe some of the other proposals contained in the bill and which are aimed at making the system more human. As far as the Parole Act is concerned, a measure of fairness and equity will be introduced by adding some safeguards to the procedure for individuals appearing before the board. Under the regulations to be implemented, the board will be compelled, when holding hearings on applications for parole from federal inmates to comply with the rules set in the regulations and justify its decisions. The regulations will also provide for the creation of an internal organization to review the decisions of the board. In addition, the board will start to place at the disposal of the inmate, before the hearing, the major part of the information on which its decision will be based, thus giving him some form of representation before the board; it will also hold revocation hearings after parole is suspended. Those regulations, which will be applied gradually over the next few years, will introduce obvious procedural guarantees for those who appear before the board. In this regard, I do intend to examine very closely what recommendations the sub-committee on penal institutions may make in the report it will be submitting soon.

It is also intended, Mr. Speaker, that parole will no longer be automatically forfeited, as is now the case, when a paroled inmate is found guilty of a criminal offence punishable by two years of imprisonment or more. The circumstances that can lead a parolee to commit a new offence are so varied that no automatic punishment should be stipulated by law. The problem of those delinquents will be settled through revocation hearings at which each case will be looked into individually by the board.

On the other hand, it is suggested that in cases of revocation, the inmate will be credited anew that part of his term of

imprisonment which he spent successfully while on parole. In addition, the board may, according to criteria it will determine on its own, recredit the inmate, in whole or in part, that part of the remission automatically lost as a result of revocation of parole. Those criteria would allow the board to deal with cases where attenuating circumstances indicate that the inmate could become the victim of unfairness or be inflicted too severe a penalty.

Under the new provisions of the bill, an inmate will be allowed to stay at the institution instead of being placed under mandatory supervision, this in order to take into account those inmates who may not feel ready to go back to society and could not manage to adapt to it, thereby exposing themselves to the penal sanctions provided for by the regulations on mandatory supervision. The bill will also give the required legislative authority to pay indemnities in cases of disability or death resulting from accidents occurring in the course of an inmate's participation in the normal life in an institution.

● (1640)

[*English*]

As I said earlier, Mr. Speaker, these twin objectives of protection of the public and humanity toward the inmate should be viewed in the framework of the continuing need to adapt and improve the effectiveness of the criminal justice system. There are several provisions in this bill which can be described in terms of the ongoing process of improvement of the system itself. I expect to receive shortly the report of the parliamentary committee which is investigating the penitentiary system in Canada. I will be pleased to examine their recommendations in detail and no doubt will be influenced by them.

Under the proposed amendments, the Commissioner of Penitentiaries will become the commissioner of corrections, and the control and management of the National Parole Service will be transferred from the National Parole Board to the commissioner of corrections. The commissioner will become responsible for the preparation of cases for all types of release and the supervision of inmates on temporary absence, day parole, full parole and mandatory supervision. This will relieve the National Parole Board of its management responsibility for the parole service and, therefore, allow it to maintain its independence as a decision-making body.

This action will also result in better co-ordination of programs and services between the Canadian Penitentiary Service and the National Parole Service, and will lead to the formation of a unified Canadian corrections service. A possible approach to this unification was discussed in the report of the task force on the role of the federal corrections agency, published under my authority in March. I look forward to the comments and reactions of hon. members to the ideas contained in this document. I understand that the subcommittee studying the penal system expects to have its final report ready in the next two or three weeks and will undoubtedly be making comments in this regard.

Under present legislation, the federal government can enter into agreements with the provinces to confine in federal penitentiaries those provincial inmates who have offended against the criminal law of Canada and who have been sentenced to more than six months but less than two years. To allow for greater flexibility and effectiveness it is proposed that the lower limit of six months be removed.

The proposed legislation also contains a complete revision of the Prisons and Reformatories Act, with the aim of leaving the provinces more discretion in the administration of provincial prisons. Several archaic and obsolete sections will be removed, and provision would be made for the lieutenant governor in council of a province to make regulations within the framework of the federal legislation with respect to the administration of provincial institutions under provincial direction.

The proposed legislation will also authorize the transfer of inmates from any penitentiary to provincial prisons under agreements which may be made with provincial governments. Also, the provinces would be enabled to enter into agreements with one another providing for the transfer of prisoners from a prison in one province to a prison in another province. The remission system presently in force in provincial institutions under the Prisons and Reformatories Act would also be repealed and replaced by a system identical to that being proposed in the federal system under the Penitentiary Act.

Another change affecting the provinces is proposed under the Parole Act, where provision is made for the establishment of provincial boards of parole. Such boards would exercise parole jurisdiction over almost all inmates serving terms of imprisonment in provincial institutions for offences under the Criminal Code, in order to allow provinces to plan a full program for the offender from entry into the institution through parole release to an ongoing life as a responsible citizen. These provincial boards would exercise their authority in accordance with the provisions of the Parole Act and regulations made by the National Parole Board.

A further proposed amendment to the Penitentiary Act would enable the Commissioner of Corrections to designate any portion of a provincial prison or hospital as a penitentiary in respect of any person or class of persons, by agreement with provincial authorities. Also, the federal government could declare any facility, such as a community-based residential centre, or a forestry camp, a penitentiary, in order to improve the effectiveness of programs and services under the federal corrections system.

As I just said, the government is concerned to balance public protection and individual rights and to exercise restraint. This point, I believe, is sometimes lost sight of in the discussion of the wiretapping sections. All of the safeguards in the Protection of Privacy Act are retained under Bill C-51. When listening to the hon. member for Broadview (Mr. Gilbert) I was at a loss to understand whether he was making suggestions about how the bill could be improved or whether he was against wiretapping in principle.

Mr. Leggatt: Take out the offences section or narrow it down.

Mr. Fox: In response to some of the comments made in the debate, I should like to point out that a very high standard is required on the part of the Crown in seeking authorizations. I think hon. members opposite make too little of the internal procedures that apply to police forces, the RCMP in particular. For instance, the investigating police officer must satisfy his superiors that the need exists for such an authorization. Secondly, an agent of the Crown must be satisfied, and finally a judge must be convinced by the Crown agent on the basis of affidavits and, under the provisions of this bill, more detailed information than in the original act. The requirement for an annual report to parliament and also on the provincial level forms a part of this accountability process.

What we are trying to do here is to improve the law in so far as it unduly restricted police effectiveness in the fight against crime, and especially organized crime, while maintaining the basic right to privacy of the individual. I believe these amendments accomplish that goal.

I am aware, Mr. Speaker, that some have criticized the electronic surveillance sections of the code and have cited in support of their argument certain figures showing a low total of convictions registered as a result of the use of wiretap evidence. I should like to point out that trials often take some time to conclude after a charge is laid, and that examination of updated figures for earlier years indicates a larger number of convictions than shown by preliminary figures which must be released in January of each year.

Furthermore, this conviction total refers only to cases in which the electronic evidence is used as formal evidence, and therefore does not include the number of charges laid and convictions obtained as a result of wiretaps, but where the wiretap evidence itself is not adduced at trial. Furthermore, such interceptions have uncovered serious offences previously unknown or unreported and have led to the seizure of substantial quantities of illicit narcotics. In other words, the utility of the tool is highly valued in the investigation, detection, prevention and prosecution of offences in Canada.

● (1650)

While I do not like to engage in battles over statistics, I wish to point out that the appropriate annual report to parliament for 1975 showed, under section (1)(i), that criminal proceedings in which a private communication obtained under authorization was adduced in evidence totalled 18. The annual report to parliament for 1976 showed updated figures for 1975 under this section which revealed that the figure had risen to 70. Similarly, under the same section, the 1975 report showed resultant convictions as totalling 18, but when the updated figures for 1975 were published the 1976 figure had risen to 69.

These figures reflect only those prosecutions and convictions made on the use of wiretap evidence produced in court. It is important to realize that many persons arrested as a result of wiretap information decided to plead guilty when confronted with the wiretap evidence. In such cases, the actual wiretap evidence is not produced in court. Thus, the updated figures for 1976 show, under sections (l) and (m) of my report, that 514 convictions out of 1,492 arrests resulted directly or indirectly from evidence obtained through wiretaps. And, of course, the prosecution of many of those arrested and charged in 1975 is still before the courts. The end result will be an extremely high ratio of conviction to arrest on the basis of evidence collected under the provisions of this law.

However, it is important to realize the strength of the ratio of arrests to authorizations made on the strength of wiretap investigations. The updated figures for 1975 show that 1,492 persons were arrested on the strength of 563 applications for intercept. This ratio, of roughly three to one, is considered by all police jurisdictions to be extremely high.

These statistics indicate several points: first, that where wiretap evidence is produced in court, the resultant conviction rate is almost 100 per cent; second, that the annual reports required by parliament do not reflect action before the courts which at the time of compilation is still incomplete. Accordingly, I think it is necessary to analyse not just one year's report but successive reports in order to fully appreciate the success achieved under this law. Third, wiretap investigations are only taken when other investigative methods seem unlikely to succeed. Thus, wiretaps are used against individuals who might well be free from arrest and prosecution were this means not available. Such persons are normally important members of the criminal community and the convictions reflected in the statistics given represent the apprehension of persons more important than, say, simple burglars. In other words, wiretaps represent a means of getting at some upper echelons of the criminal community in Canada.

There are other benefits—spin-offs, if you like—resulting from investigations carried out under this law. In 1975, for example, the following narcotics seizures were made as a result of wiretap investigations: heroin 27 pounds; cocaine 18 pounds; hashish, 1,335 pounds; liquid hashish 81 pounds and marijuana 2,235 pounds. Similarly, other offences were detected, including murder, fraud, bookmaking, firearms and escape from custody.

I now deal with the dangerous offenders legislation. I sometimes think that the very stringent safeguards which protect individual rights are forgotten in the discussion. We are concerned here with the need to protect society against those very few individuals who pose a serious and continuing threat to the security of the public. This concern was voiced in such reports as that of the Ouimet committee and the committee chaired by Senator Goldenberg, which both recommended replacement of the current sections dealing with habitual and dangerous sexual offenders by dangerous offenders provisions such as those contained in this bill.

That such a need exists would be denied by few, Mr. Speaker. Yet in providing for such a means the bill takes care to surround the dangerous offenders procedure with stringent safeguards aimed at protecting the rights of the individual as

well. The offender must first have been convicted of a serious violent or sexual offence. Then consent of the provincial attorney general must be given for a further application to the court to have such person declared a dangerous offender. The court must be convinced that the offender constitutes a threat to the life, safety or well-being of others, or that there is a likelihood that the offender will cause injury or other evil to other persons through failure in the future to control his sexual or violent impulses. Finally, the National Parole Board will be required to review the case not later than three years after conviction, and every two years thereafter.

I am convinced, Mr. Speaker, that these amendments represent a marked improvement over the present sections of the Criminal Code dealing with habitual and dangerous sexual offenders. As with those sections, the dangerous offender provisions will be used with restraint. I trust such restraint as exercised in the past will continue, but I think such provisions are necessary to protect society from the tiny minority who pose such a serious threat to public safety that we must unfortunately contemplate their indeterminate detention.

There can be no doubt that Canadians are concerned about the problems of crime which all of these proposals are directed toward. I would therefore, ask, Mr. Speaker, that all hon. members give these measures their most urgent consideration. We have talked about these issues for many months. The time has come to act.

Mr. Brisco: Mr. Speaker, in view of the time I wonder if I could call it five o'clock.

Mr. Deputy Speaker: Is this agreed?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Churchill (Mr. Smith)—Harbours—Churchill—Status of program to alter facilities in view of cancellation of plan to lay heavy steel on railway route; the hon. member for Surrey-White Rock (Mr. Friesen)—Multiculturalism—Provision of English language training in Vancouver schools—Government position; the hon. member for Okanagan-Kootenay (Mr. Johnston)—External Affairs—Southwest Africa—Alternatives to Tournhalle conference offered by delegation.

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

PRIVATE MEMBERS' MOTION FOR PAPERS

[*English*]

Mr. Deputy Speaker: Notice of motion No. 1.

Mr. Paproski: Mr. Speaker, I rise on a point of order. Discussions have taken place among members of this House, and I suggest there is disposition to consider notice of motion No. 25, standing in the name of the hon. member for Selkirk (Mr. Whiteway), and to allow all preceding motions to stand.

Mr. Goodale: Mr. Speaker, we agree.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Deputy Speaker: Order, please. Is it agreed that all motions on the order paper preceding motion No. 25 should be stood at the request of the government?

Some hon. Members: Agreed.

MINUTES OF MEETINGS OF INTERDEPARTMENTAL TASK FORCE ON INTEGRATION OF GOVERNMENT VESSELS AND AIRCRAFT

Mr. Dean Whiteway (Selkirk) moved:

That an order of the House do issue for copies of the minutes of all meetings of the interdepartmental task force on integration of government vessels and aircraft and copies of all materials considered by the committee on search and rescue operations and the patrolling of Lake Winnipeg.

He said: Mr. Speaker, in order to make sure hon. members understand my request, I shall read again the notice of motion standing in my name:

That an order of the House do issue for copies of the minutes of all meetings of the interdepartmental task force on integration of government vessels and aircraft and copies of all materials considered by the committee on search and rescue operations and the patrolling of Lake Winnipeg.

That request, relatively simple and straightforward, relates to search and rescue operations on Lake Winnipeg. Hon. members should know that the area of Lake Winnipeg is some 9,417 square miles. So we are not talking about a body of water the size of the Prime Minister's swimming pool, large though it may be in comparison to other swimming pools in this country. We are talking about a substantial body of water on the edge of which are to be found 10 or 12 towns of substantial size, and some 20 recreational beaches. There are thousands of cottages there. Indeed, it is the source of livelihood for a thousand fishermen who glean the pickerel and whitefish that Canadians have come to love and cherish and look forward to over the years. On a day like today in Winnipeg, when the sun is shining and the temperature is 20 degrees—

● (1700)

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Whiteway: The hon. member for Winnipeg North Centre (Mr. Knowles) knows it well. The lake would have the appearance of a paradise, not only for fishermen but those who love to relax and use the lake for recreational purposes.

Within a matter of an hour, the waters of Lake Winnipeg can be whipped up and become treacherous. From time to time my seatmate, the hon. member for St. John's West (Mr. Crosbie), and other members of this House have expressed concern over the capability of our search and rescue on both the east and west coasts. They have a real concern which this government has yet to recognize. On Lake Winnipeg, life is just as precious as it is on the east coast. The government has the same responsibility to provide adequate search and rescue on Lake Winnipeg as on the east and west coasts. On this large body of water of over 9,000 square miles there are only three boats designated for search and rescue.

One problem is that there are many jurisdictions. One of these boats, the largest, the *Namao*, out of Selkirk, comes under the control of the coast guard. Ironically, it is the responsibility of CFB, Trenton. Generally search and rescue comes under the Department of National Defence in Edmonton. However, the nitty-gritty rescue operations are with the other two boats. One is a rubber boat designed for inshore search and rescue. It comes under the jurisdiction of the RCMP. That is one problem. There are at least three jurisdictions. There seems to be a problem with the co-ordination of the efforts of search and rescue. I have requested these papers, studies by the government which I am sure must have taken place, reports, memos, minutes of meetings where they discussed the problem of co-ordinating research and rescue operations on Lake Winnipeg, to provide the critical safety measures necessary to react to the kinds of emergencies that can come up because of what I mentioned earlier.

Lake Winnipeg is a shallow lake. With the western winds which blow from time to time, in a couple of hours the lake can become treacherous. We do not have long-range warnings which they have on the east and west coasts. One of the problems is that the people, both the fishermen who depend on Lake Winnipeg for their livelihood, as well as those who use it for recreation, are anxious about this matter. I do not know whether there have been any considerations by the government, any studies, any meetings, whether those in the three levels of government I mentioned have put their heads together and studied the problem and have come up with any recommendations. The people are anxious to know whether there are any plans by this government to co-ordinate in order to have the most effective and responsive search and rescue that can possibly be put into place on Lake Winnipeg. I submit, Mr. Speaker, that the production of these papers is an essential element for the effective performance of parliamentary government. The availability of these few memos, papers and studies which I have humbly requested the government to put before this House are very much linked with the issues of the right of the public, and parliament, to information concerning the public business.

Before I outline in more detail my reasons for these remarks, let me quote from two of the most senior members of the government whose word can hardly be doubted. Shortly after assuming office, the Prime Minister (Mr. Trudeau) stated:

> I confess to the House that in our view—

I assume he was talking about the view of the government.

> —information is perhaps the most important single subject which is facing not only this government, but all governments in Canada.

Those are most noble words, Mr. Speaker. More recently, on March 15, 1973, the government House leader stated in this House it was the government's objective to make as much information available as possible. I quote:

> We believe that members of parliament require factual information about the operations of the government in order that they may carry out their parliamentary duties.

That sounds good.

> That statement is included in the general principle. We are also aware that the desire to make available as much information as possible must be balanced against effective public administration, protection of the security of the state and rights to privacy.

This is the important part.

> It is always a delicate matter of judgment to balance the desire to make information available with the effective administration of the government, security of the state and other considerations.

Clearly, Mr. Speaker, members of this House—members from all sides, in fact—will agree that matters pertaining to search and rescue operations on one of Canada's largest lakes is hardly a matter of concern for national security reasons. I am endangering no treaty, no national trust by requesting these papers. But the government is endangering the lives of those who venture on to that lake for work or pleasure by not giving us more documentation as to its search and rescue operations.

Nor is it reasonable for the government to argue that the release of these papers might jeopardize the future conduct of federal-provincial relations, or the relations of provinces *inter se*. I must admit my surprise to learn of the complexity involved, in terms of the various authorities and their geographic location involved in search and rescue operations. It seems that depending on the reason for the search, different levels of government, or at least different departments, are responsible. There is an administrative problem. The studies, papers and documents which I have requested show their efforts to co-ordinate search and rescue on Lake Winnipeg.

If the people of Selkirk and the members of this House of Commons are to exercise any kind of direction and proper interest in this matter. They must have all the facts, or at least some. The safety of Canadians should be of paramount importance to any government. Yet because not all the relevant material is before us, parliament is prevented from fulfilling its role in giving adequate consideration and adequate supervision for providing such an important service to the persons who use

this lake, whether they use it to earn their living or for recreation.

I have lectured in this House on two previous occasions, and I find it necessary to lecture again today as to the nature of parliamentary democracy in Canada. I said on those two occasions, and I say again today, that I agree with and recognize the absolute right of the Liberal party of Canada to govern this country and bring in legislation.

Mr. Knowles (Winnipeg North Centre): Not forever.

Mr. Crosbie: Just until the next election.

● (1710)

An hon. Member: We are ready.

Mr. Whiteway: Members opposite are so sure of the position of the Canadian people that perhaps they would like to put it to the test on a vote. Whenever they are ready, we on this side are.

I recognize the right of government to set fiscal and monetary policy, to set external affairs policy and to give national direction. That is their right. It has not been their practice, but nevertheless it is their right. They have the right to set taxes, a right they have exercised more than they should. They have the right to bring in a budget. In general, it is the right of the government to govern absolutely, and I recognize that. But if that is true, it is equally true that the opposition has the absolute right to scrutinize, to question, to investigate, to double-check, to suggest alternatives—yes, to criticize—and to be sure to oppose.

I cannot do my job as a member of the opposition without the kind of information I am asking for. I have already pointed out that the information I am seeking is not in any way going to jeopardize the security of the country or relations between the federal government and the province of Manitoba. I cannot in any way fulfil the responsibilities I have, not only to those who elected me to the House, but under the law of the land, unless I have this information. Surely that sort of information, which has been gained by taxpayers' money in the payment of public servants, ought to be as readily available to members of the opposition as to the government.

I am not asking for cabinet documents, or for letters or memos between cabinet ministers, or for information about what goes on in the Privy Council. I am not asking for secret agreements, if there are any, between one country and another. I am not asking for the deep secrets which lie in the mind of the Prime Minister. What I am asking for, Mr. Speaker, is to be told whether or not there have been studies, documents and meetings concerning the three levels I have already mentioned in relation to search and rescue on Lake Winnipeg.

This question is important if for no other reason than to alleviate the anxieties of those who use Lake Winnipeg for recreation or to gain their livelihood. I am not digging in the hope of uncovering some kind of government scandal, though heaven knows I suppose I could dig almost anywhere and come up with one. The former president of the privy council, the

hon. member for Eglington (Mr. Sharp), on February 18, 1975, said this about members such as me who request information from the government:

> (The government is trying) to encourage members of parliament to be more pointed and more precise in their requests for information.

That is a fair statement. He goes on to say:

> If I may use a rather partisan word, the government is trying to discourage what are generally called fishing expeditions when the member does not quite know what it is he wants but hopes that if sufficient material is produced he will find something with which to criticize the government.

Now, Mr. Speaker, what fisherman ever caught a fish without first casting his line? Trying to get information from this government is like trying to scoop up water with a fish net. I am not trying to dredge up a scandal or to uncover some wrongdoing on the part of government. I am simply asking for information so I can answer questions which have been put to me by my constituents, questions which time and time again have been put by civil servants, some of the very people who have been given the duty of carrying out search and rescue operations on Lake Winnipeg. It is as simple as that.

This government is paranoid when it comes to giving out information. I suppose if I asked the government for a name, they would not give it to me for fear I was asking for some devious reason. The secretiveness of this government is clearly demonstrated in its refusal, for example, to give details of the Canadian CANDU reactor sales to Korea and Argentina. The government has refused to give details regarding the degree of radioactivity in the waters of Port Hope. It has refused to give details of the arsenic poison levels at Yellowknife. It has refused to give details of the tendering practice in dredging Hamilton Harbour. It has refused to give the details of CMHC tendering procedures for Sky Shops and the student co-operative housing at Rochdale. It has refused to give the Price, Waterhouse report regarding CIDA. It has even refused to give detailed information regarding the cost of the new Air Canada logo. I can see how that can bring down the government.

In short, Mr. Speaker, the government can be paranoid if it wants, but I hope there will be at least one member on the government side who can see the reasonableness of my request. I hope it is within the heart of at least one cabinet minister to produce this information which the people of Selkirk need, which they want and to which they have a right. It is ironic that the Prime Minister, that great knight in shining armour, would deny me, the hon. member for Selkirk, information that could jeopardize the safety and the lives of virtually hundreds of Canadians.

In conclusion, Mr. Speaker, any government that stifles opposition by secrecy destroys the very principle of parliamentary democracy which gave it its birth.

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker—

Mr. Friesen: You believe in air and sea rescue, don't you, Bill?

Mr. Rompkey: I certainly do. We may even rescue you one of these days. I want, first of all, Mr. Speaker, to reply to some of the comments made by the hon. member for Selkirk (Mr. Whiteway). I appreciate it is his responsibility to get the kind of information he is seeking, and I believe in general terms that when it is available it should be forthcoming. I am afraid he is not going to get all the answers he wants from what I have to say, but I want to point out that the Minister of Fisheries (Mr. LeBlanc) is out of the country at the moment on business which is very important to the fishing industry of this country, and it is unfortunate that he could not be here today. Obviously, he would have been able to give a much more substantive answer.

I hope the hon. member will not think that some of what I say is irrelevant. He mentioned search and rescue regarding certain swimming pools in the country, and what I have to say is not more irrelevant than that particular aspect of search and rescue. I do want to talk about the question of jurisdiction, which was one of the points the hon. member raised. He finds there are a number of different departments involved in the administration of search and rescue operations, and I think that up until a while ago this was a problem. However, some of the difficulty has now been resolved.

I want to talk about the jurisdictional aspect of the hon. member's remarks in the context of the research done by the interdepartmental committee of senior officials on search and rescue. I want to talk about the question of how government ships and aircraft have been co-ordinated for fishery surveillance and enforcement.

• (1720)

Commencing in March, 1975, the interdepartmental committee representing the Department of National Defence, the Department of Transport, and Treasury Board, was established under the chairmanship of the Department of Fisheries and the Environment to examine the most cost-effective means of conducting fishery surveillance and enforcement on both the Atlantic and Pacific coasts. The interdepartmental committee was asked to make recommendations to cabinet on the minimum levels of additional surveillance and enforcement capabilities, equipment and associated costs that would be required prior to Canada extending its fisheries jurisdiction. The committee was requested to define appropriate criteria and to establish minimum levels of effort to be dedicated to the air and surface surveillance of foreign and Canadian fishing activity offshore, and to the enforcement of fisheries regulations required to achieve a credible management regime and effective conservation of Canada's fishery resources.

It was also requested that the committee identify all shortfalls in both surface and air surveillance between existing and proposed minimum levels of effort; the most cost-effective mix of existing federal resources, ships and aircraft, to eliminate the shortfalls; and the associated equipment and cost that would be required to overcome the identified shortfalls.

The interdepartmental committee's examination of this subject resulted in a report to cabinet in early 1976. The committee concluded that the minimum level of fishery surveillance patrol activity required for effective surveillance of fishing activity enforcement of regulations must be sufficient to permit at-sea inspection of one third of the foreign fleet and one sixth of the Canadian fleet every month. At the same time, the patrol fleet must maintain a Canadian presence over all of the most lucrative fishing grounds found within 200 miles of our coasts. Air patrols must be sufficient to permit location and identification of every fishing vessel in areas of Canadian interest, once per week throughout the year as a minimum, with an additional increase in total flying activity to ensure more frequent coverage of sensitive areas and areas of high foreign fleet concentration.

In order to meet these requirements it was determined that a total of 1,950 on-station sea days and 4,230 flying hours were necessary. It was also pointed out that the Department of Fisheries and the Environment could not, alone, meet these required levels and that it would, therefore, be necessary to rely on support both for aircraft and ships from the Department of National Defence and for ships from the Department of Transport. It was established that the Department of Fisheries and the Environment would carry out 56 per cent of the sea patrols, Department of National Defence about 31 per cent, and MOT vessels about 13 per cent. The entire air surveillance needs would be met through the utilization of DND tracker and long-range patrol aircraft.

The findings of this committee were endorsed by all three operating departments, as well as Treasury Board and the Department of External Affairs. The cabinet approved these recommendations and on June 10, 1976, the hon. Roméo LeBlanc publicly announced that, effective immediately, Canada would be doubling its level of seaborne surveillance and more than doubling its level of aircraft surveillance. To achieve these increased levels of surveillance 23 vessels are utilized on the Atlantic coast, 8 Fisheries and Environment patrol vessels, 12 destroyers and 3 transport vessels. A total of nine vessels are being used on the Pacific coast, 3 Fisheries and Environment patrol vessels, 4 destroyers and 2 transport ships. The increased levels of air surveillance are being maintained through the use of 15 tracker aircraft and 12 Argus aircraft on the Atlantic coast.

Mr. Deputy Speaker: The Chair recognizes the hon. member for Selkirk (Mr. Whiteway) on a point of order.

Mr. Whiteway: This is rather enlightening, but Lake Winnipeg, which was specifically mentioned in my request, is some 2,500 miles from the area being described by the hon. member. I wonder if he might address himself specifically to what the interdepartmental task force said about Lake Winnipeg. That was my question.

Mr. Rompkey: Mr. Speaker, in all fairness, the hon. member's original question, as I understood it, dealt with the deployment of search and rescue facilities in general, and then the last line of the question dealt with Lake Winnipeg.

Mr. Whiteway: That is not so.

Mr. Rompkey: I realize in his speech today he dealt with Lake Winnipeg specifically. I indicated to him in my opening remarks that in the absence of the minister he was not going to be fully satisfied with the indications of what was being done with regard to Lake Winnipeg. I wanted to get to the question of jurisdiction which he raised in his speech. Hopefully, at some future date he can get more specific information, which is what he wants. As a member of parliament, I respect his responsibility to get that information. When the information can be made available, I hope it will be forwarded to him.

To continue with my remarks, I was talking about the deployment on the east and west coasts where we have, as the hon. member will understand, the greatest return to the country in terms of fisheries. Something like $1 billion is returned to Canada as a result of the fishing effort on the east and west coasts. It is important that this be put on the record. I refer to what Canada is actually doing to step up its search, rescue and surveillance activities.

From the outset it was recognized by all concerned that use of the diverse nature of the resources that would be employed in accomplishing the increased levels of surveillance it would be necessary to have firmly established mechanisms of co-ordination and liaison between the three operating departments. All three departments were committed to developing the necessary co-ordination and liaison mechanisms with the Department of Fisheries and the Environment, identified as the lead agency in this regard, because fishery surveillance and enforcement is its statutory obligation as established by the Fisheries Act.

Furthermore, the Department of Fisheries and the Environment was responsible for paying to the two other departments the increased operation and maintenance costs arising from the increased levels of fisheries surveillance. Against this background the Department of Fisheries and the Environment held in May, 1976, an interdepartmental meeting with a view to establishing a framework that would ensure rapid and well co-ordinated implementation of the increased levels of surveillance.

It was proposed by the Department of Fisheries and the Environment, and agreed to by all departments, that on both the Pacific and Atlantic coasts interdepartmental co-ordination committees, chaired by a senior Fisheries official, would be established and would meet on a regular basis. Part of the confusion over jurisdiction on the east and west coasts, and part of the fragmentation in terms of administration, has been overcome. There is now a committee on each coast under the Department of Fisheries and the Environment to administer search and rescue activities. That was one point, albeit possibly a minor point, which was raised by the hon. member. I hope my remarks will clarify that issue.

In addition, it was agreed that, as necessary, interdepartmental meetings involving senior officials from Ottawa headquarters would be held. The Department of Fisheries and the Environment also identified officials in Vancouver, St. John's, Halifax and Ottawa who would be responsible for day to day co-ordination of the fisheries surveillance and enforcement program. I note there is nobody identified for the area to which the hon. member referred in his question.

Mr. Deputy Speaker: Order, please. The hon. member for Selkirk (Mr. Whiteway) on a point of order.

Mr. Whiteway: Mr. Speaker, as the hon. member should know, all matters relating to fishery inspections come under the jurisdiction of the province of Manitoba. Inland fisheries is a provincial resource and a provincial jurisdiction. Therefore, comments relating to inspections or areas of jurisdiction have nothing to do with Lake Winnipeg.

Mr. Deputy Speaker: Order, please. On the point of order raised by the hon. member, I would like to say he should give the Chair an opportunity to listen to argument by other hon. members. It is not helping the progress of the debate if the hon. member intervenes. I hope the hon. member, as he normally does, will stay within the confines of the motion before the House.

• (1730)

Mr. Rompkey: Mr. Speaker, I understood that we were talking about search and rescue operations and the administration of those, and it is quite possible that, if in fact inland fisheries are the responsibility of the province, the hon. member should be raising his question with the province of Manitoba rather than in the federal House. If in fact that is the case and if the jurisdiction is there, obviously there must be some relevance if the hon. member is raising it in the House. He is raising the question of search and rescue. I am assuming that therefore there is some federal involvement. Possibly one of the problems here is that in fact there is a shared responsibility, and possibly the over-all responsibility is more that of the province than of the federal government.

I think that the committee which was set up had indicated that, in relation to the vessel resources advocated, the vessels allocated on behalf of the federal government would do their duty in the Great Lakes and on the St. Lawrence, as well as on the Atlantic and Pacific coasts. I understand also that there is a certain lack of marine search and rescue incidents on non-international inland waters such as Lake Winnipeg, for example, and I note also that search and rescue operations are covered for Lake Winnipeg by a new high performance MOT navigational aids vessel. The acquisition of this vessel was justified in part on the grounds that it would be used for marine search and rescue in addition to normal program duty. So it is my understanding that there is now, or at least there will be—I am not sure of the time frame of the information—a vessel which is to be deployed for use on Lake Winnipeg.

Possibly one of the difficulties here is in fact the division of responsibility between the province and the federal government. We do not have as clear cut a jurisdiction with regard to inland waters as we do with regard to the east and west coasts. On the Great Lakes, for example, our jurisdiction is shared between the two countries that share the Great Lakes, and I would assume that part of the difficulty here is the difference

in jurisdiction between the federal and provincial governments with regard to Lake Winnipeg.

That is an overview of the position of the government generally with regard to search and rescue. As I said at the beginning, I know that possibly the hon. member will not be satisfied with the information that came forward today, and I want to repeat again that since this information and the recommendations that were put forward may not be available now, I hope that in the future they will be and that at a future date the minister can provide a more substantive answer on the Lake Winnipeg situation. But it is very important that we put on the record today what has been done on the east and west coasts because, with the imposing of the 200 mile limit, it is important that we step up our surveillance, as we have done to protect that resource, to protect the stocks which are so important to our fishermen on the east and west coasts and in fact to the whole of the Canadian fishing industry.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I just want to participate briefly in this debate, not for the purpose of holding up any disposition of the motion which I know should receive the unanimous consent of every member of the House who wants to preserve the right of members of parliament to represent their constituents properly.

I was very interested in the remarks of the preceding speaker with respect to search and rescue and his obviously deep interest in this area, coming as he does from the province of Newfoundland. During the course of his remarks I detected a reference to the fact that he sympathized with the hon. member for Selkirk (Mr. Whiteway) and considers that this is the kind of duty that a member should be expected to carry out in the House of Commons. Therefore I am sure that the hon. member will give full support to this reasonable request for papers.

While the remarks of the preceding speaker were interesting and heartfelt, I think it was clear that they were completely out of order, as has been pointed out by the hon. member for Selkirk, because they did not deal with the specific request for the production of papers relating to Lake Winnipeg. There has not been as yet any indication from the government side of the basis on which the government refuses to produce these papers.

We are in the position of again being confronted with a legitimate request—as has been pointed out by the preceding speaker—from a member representing an area which is seriously concerned about search and rescue of Lake Winnipeg, a member serving his constituents, as he does so ably and well, and we are faced again with the stonewalling tactics and the arrogance of this government in refusing to give any information which should legitimately be available to every citizen of this country.

Many members of the House, including the Parliamentary Secretary to the President of the Privy Council (Mr. Goodale), have spent a lot of time in the Joint Committee on Regulations and Other Statutory Instruments which, among other things, has been dealing with the freedom of information bill presented by my distinguished colleague, the hon. member for Peace River (Mr. Baldwin). I think that in that investigation there has been a certain unanimity and a non-partisan approach to the whole question of freedom of information, and there has been an indication from the government that this is committed to bringing forward some kind of legislation, although when that will be one never knows.

There is absolutely no justification, I submit to you, Sir, on the basis of the government's own guidelines which it has proposed with respect to the production of a papers, for not producing the papers requested by the hon. member for Selkirk. I simply wonder aloud why we have not heard a representative of the government indicating the reason why it is not producing these papers. I can only surmise that it will in fact consent to this motion, because there is absolutely no defence. If we have come to the point of the government being so arrogant that it refuses not only to produce papers but to give any reason for the production of papers, we have come to a very sorry state indeed.

I was interested in the recent occurrence when the Secretary of State (Mr. Roberts), who now has the responsibility for freedom of information, met with a representative group called Access and indicated that he was very interested in their propositions. The irony was that he refused to have the meeting in public—he wanted to have a closed meeting. Be that as it may, what are we to believe of a government which, on the one hand, pays lip service to freedom of information and, on the other hand, refuses on every occasion to provide the most innocent kind of information, the kind of information which was described quite properly by my colleague as being essential and important information to people in the Lake Winnipeg area? I suggest to you, Sir, that this attitude indicates an unacceptable degree of arrogance on the part of the governement, which has lost its will to govern but not its will to stay in power.

An hon. Member: You are dreaming.

Mr. Hnatyshyn: Of course hon. members opposite are very irritated and agitated when the facts are presented to them in a non-partisan way, as I am doing—

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: —but I want to say that if there is a particular example of why we should get rid of this bunch and put in a fresh bunch—members opposite will of course question whether members of the opposite have the same level of capabilities as their own members, but on the other hand, we poor people in the opposition try our best—it is the arrogance demonstrated by this government on every occasion with respect to freedom of information.

Some hon. Members: Hear, hear!

● (1740)

Mr. Hnatyshyn: A concerned government would give serious and immediate attention to a freedom of information bill which is really worthy of the name, and would not waste the

time of the House with this kind of attempt to stonewall attempts to obtain very straightforward, legitimate, and as far as I know, non-confidential information. Hon. members on the government side sit by idly on their hands, which they are used to doing. Backbenchers have a stake in this, and I think the rights and privileges of every member of parliament are affected.

I do not speak here on the basis of party politics. I simply say to all backbenchers opposite that it is as important to them to have access to information from the government as it is for opposition members, and if in their hearts they really believe that the institution of parliament is important, they will not participate in this sham debate and prevent information from being given to the hon. member, to this House, and to the people of Lake Winnipeg. Backbenchers on the government side have every bit as much at stake in this matter as any opposition member.

I want to conclude now. I did not intend to participate. The reason I rose was because I thought the previous speaker was going to enunciate at least one reason for refusing the reasonable request of the hon. member for Selkirk. Since that is not the case, I can only come to the very regrettable conclusion that the government is again demonstrating the kind of arrogance we have had to put up with for too long in our country.

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, on other recent occasions I have had the opportunity to address a few remarks to this Chamber following my friend, the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn). I find myself in the same position this afternoon—

An hon. Member: Confused.

Mr. Goodale: —of having to respond to gross overstatements and misstatements which the hon. member has attempted to put on the record with reference to the subject we are discussing this afternoon, as well as other topics we have discussed on other occasions. His remarks today in relation to the question of freedom of information and in relation to the motion we have before us, which was proposed by the hon. member for Selkirk (Mr. Whiteway), overstated and misstated the case, and they seem to me to be reminiscent of remarks we often hear from Conservative members in this House and outside this House when they address themselves to the concerns of western Canada.

I would like to draw a parallel between what we have just heard from the hon. member for Saskatoon-Biggar and what we often hear from Conservative members from western Canada. Their impact here and across the country always tends to be minimized simply because of the way they approach their arguments, and by that approach they destroy the very case they try to make. In this Chamber we often hear complaints about western issues. As a member of parliament from western Canada I believe I understand those complaints. I sympathize with a great many of them, but hon. members opposite complain in this House, in bitter and vitriolic tones about, for example, snowslides in the Rockies with the same degree of emphasis as they complain about such legitimate concerns as freight rates, transportation problems, agricultural problems or whatever.

If they are trying to present a case to Canadians which they want redressed and if they are trying to explain what westerners are concerned about, and what westerners want to see corrected within Confederation, I think it would be more to their advantage, and certainly to the advantage of western Canada, if they could stick to the point and make their arguments in compelling terms and in realistic terms without resorting to overstatements, misstatements, or to tactics which simply undercut the very arguments they are trying to make.

Mr. Whiteway: What is your point?

Mr. Goodale: The hon. member asks, "What is the point?" The point is that if we want to see our concerns addressed and redressed in this parliament or by the government, then surely it is important for us to state our cases here in fair, honest, and frank terms, sticking to the facts and presenting those cases in the best way we can, rather than trying to overstate or misstate our cases and by those very tactics themselves undercut the very arguments we are trying to make.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, would the hon. member permit a question?

Mr. Goodale: Yes, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Would the hon. member tell us what motion he is speaking about? What are we talking about?

Mr. Goodale: It is very rare that I have an opportunity to draw to the attention of the hon. member for Winnipeg North Centre (Mr. Knowles) the motion we are discussing. I am sure he is aware it is motion No. 25, the motion I am responding to.

Mr. Knowles (Winnipeg North Centre): Has the hon. member read it?

Mr. Goodale: Yes indeed, I have.

Mr. Knowles (Winnipeg North Centre): What does it say?

Mr. Friesen: He doesn't even know.

Mr. Goodale: Mr. Speaker, I can read the order paper as well as any other hon. member. I am dealing with the argument we heard from the hon. member for Saskatoon-Biggar, who tried to deal with the very serious issue of freedom of information and the access of members of parliament to information, but instead of dealing with that point in a credible, realistic, and practical way, and instead of trying to obtain some real results, he again lapsed into that old Tory habit of overstating his case and of dealing with matters in a peculiar and partisan way rather than dealing with the substance of the issue. It is an important issue. The hon. member managed to undercut himself by the very way he approached

his case. That is the point I was trying to deal with, and I think that applies to the kind of approach we have seen displayed here today. That approach does nothing to back up the argument which the hon. member for Selkirk was trying to make in a serious way, I think, in his remarks earlier today.

THE ROYAL ASSENT

[*English*]

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

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

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

● (1750)

[*Translation*]

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills.

Bill C-2, An Act to facilitate the making of advance payments for crops—Chapter No. 12.

Bill C-11, An Act to amend the Pension Act—Chapter No. 13.

Bill C-52, An Act to provide for the consideration of certain unemployment insurance entitlements—Chapter No. 11.

Mr. Speaker: I believe there is agreement to have the Chair call it six o'clock, unless some hon. members wish to speak.

It being six o'clock, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CRIMINAL LAW AMENDMENT ACT, 1977

AMENDMENTS TO CRIMINAL CODE

The House resumed consideration of the motion of Mr. Basford that Bill C-51, to amend the Criminal Code, the

Customs Tariff, the Parole Act, the Penitentiary Act and the Prisons and Reformatories Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

The Acting Speaker (Mr. Turner): Order, please. At five o'clock the hon. member for Kootenay West (Mr. Brisco) had the floor.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, initially I have no hesitation in supporting the position of the hon. member for Calgary North (Mr. Woolliams), namely, that this bill should be referred to committee, for appropriate division. As I recall, we went through a similar exercise when debating the predecessor bill, C-83, at which time a similar proposal made by the hon. member for Calgary North was accepted without difficulty.

I know that a proposal of the sort advanced by the hon. member has sparked much discussion and the raising of points of order, but I am confident that his amendment, if accepted, will lead to the appropriate division of this bill. Certainly it is the view of many that we should not deal with the bill in its present form. It makes little sense to debate a bill dealing with gun control on the one hand and wiretapping on the other. Except that they come under the Criminal Code, both subjects are unrelated.

I am concerned about something that has happened since the timely death in committee of Bill C-83. After that bill died in committee, and even before Bill C-51 was introduced, the Minister of Justice (Mr. Basford) and perhaps the Solicitor General (Mr. Fox) expressed concern and dismay about the fact that Bill C-83 had died at the committee stage. I understand that the Minister of Justice expressed concern that in the city of Vancouver there are criminals driving the streets with shotguns and rifles in their cars. If I am accurate quoting my supposedly reliable sources, the minister made these statements on open line radio. In any event, the information I received is that the minister has indeed expressed these concerns. If that is the case, I must say that I share the concerns of the minister.

● (2010)

I share even more the concerns of the general public. If such has been the case, they ask why the minister has not used his good offices to discuss that type of situation with the provincial attorney general in the province of British Columbia and with the minister responsible for the legislation and the licensing of hunters in British Columbia.

If known criminals are indeed driving the streets of Vancouver with rifles or shotguns openly or covertly displayed in their vehicles, has the minister made any intervention? Surely the provincial government would be most anxious to cancel the licences of these individuals. I cannot foresee any difficulty in the province of British Columbia responding to any request by either the Minister of Justice or the Solicitor General.

I have another concern with reference to the former Bill C-83, which the minister has not publicly declared was a

bureacratic nightmare. He did not indicate that it was drafted in a vacuum by officials who had no concept of the issue. He did not say that the bill was such a disaster that, at least in my brief parliamentary experience, an unprecedented number of amendments had to be introduced, not by the opposition but by the government. He did not say that the preponderance of witnesses who appeared before the Standing Committee on Justice and Legal Affairs were opposed to Bill C-83 and the government's conception of gun control.

The minister says that the new Bill C-51 is so watered down that he is concerned that the public may be offended about this new legislation. He feels that perhaps the bill has been so softened that the public will be alarmed that it will not have the necessary impact. I could not disagree more with the Minister of Justice.

There is one point that bothers me considerably in both Bill C-51 and Bill C-83 with regard to gun control. During the summer recess of parliament I received a couple of publications through the offices of the Solicitor General. It was patently obvious that Bill C-83 had dies at the committee level. The government was certainly not anxious to reintroduce it into the House, yet during the summer recess I received a couple of booklets from the Solicitor General's office. They were very detailed, well documented, and very appealing, even though they were dealing with a bill that was dead. I had to ask myself why this unnecessary response to a dead bill? Why this unnecessary and needless cost? It does not matter whether the cost to the taxpayer is $1 or $1 million if it is spent in an unnecessary and needless fashion.

I placed certain questions on the order paper. The replies indicated that the two efforts from the office of the Solicitor General cost the taxpayers of Canada $65,000, not counting the costs of mailing these booklets to Canadians who might be interested. I estimated the cost of mailing at another $20,000.

For what reason would the office of the Solicitor General go through a needless, unnecessary exercise dealing with a bill which they knew was not going anywhere? These pamphlets or brochures were probably produced at the very time that civil servants within the minister's office were busy drafting what is now Bill C-51. I fail to see why Canadians were subjected to this additional insult to their pocketbook.

I also determined that in spite of the statements and protestations of sweet innocence made by various members on the government side, the RCMP were conducting their own inquiries in the business community. They wrote to shopkeepers and small businessmen in the business of selling guns, rifles and shotguns, asking for a lengthy and detailed report on the entire procedure. Why were they doing this? Their response was that it was for their computers. They had to have that information in order to compile the necessary statistics to implement gun control. That is very interesting in view of the fact that gun control has yet to be implemented. Again I say, at what cost? Surely the people involved within the offices of the RCMP could have been more productively occupied in other matters.

[Mr. Brisco.]

If the Minister of Justice is prepared this evening to respond to the comments of those who have spoken in the debate today on Bill C-51, I hope he will indicate whether he approached the provincial government with reference to these known criminals driving the streets of Vancouver with their rifles and shotguns on display. I hope he will indicate that he asked that their gun permits or hunting licences be revoked, because surely only under those two provisions could they legally carry these weapons.

I wish to ask another question of either the Solicitor General or the Minister of Justice. I will not deal with semantics because, quite frankly, I am not aware of whose responsibility it is. Both these have declared their concern with reference to gun control and with reference to the need, which I am pleased to see met in this bill, to tighten up and increase the sentences of those who are convicted of crimes pertaining to the mishandling of guns, and possession of weapons which are restricted without permit, with reference to crimes of violence involving guns. I must ask whether or not they have indicated to the Crown prosecutors that maximum sentences should be sought between the time in which Bill C-83 was introduced and the introduction of Bill C-51.

● (2020)

Did these two hon. gentlemen say to the Crown prosecutors, "Look, those who commit crimes of violence involving the use of guns should receive maximum sentences as currently provided, and you have our assurance that when the new bill is passed we shall escalate those maximum provisions?" Did they approach the Crown prosecutors with that point of view or that recommendation? I must say, looking at the cases in which charges have been laid in British Columbia, the end result of one charge with which I am familiar shows that the answer to that question is no. A soft sentence was provided, and the Crown prosecutor did not in any way reflect the concerns which have been addressed to the House by either the Solicitor General or the Minister of Justice.

This afternoon we had an opportunity to listen to the hon. member for Broadview (Mr. Gilbert). I could not help smiling in some degree of agony at the hon. member's suggestion to establish yet another level of bureaucracy under the federal government. It was a revelation of the true nature of the ideals of the NDP—to strengthen and extend the bureaucracy regardless of the issue. It really makes no difference what the issue is—in their minds the answer can be found by letting the government handle the problem. "Big brother will look after you, the taxpayers will pay the shot." The NDP urges the government to establish yet another level of bureaucracy to look after gun control. The hon. member said this question should not be left to the provinces but that authority should be centralized here in Ottawa, requiring yet more civil servants. Gun control, we gather, is probably good for 600 or 700 or 1,000 man years. "Look at the reduction in the numbers of unemployed alone." One sees in the attitude of the hon. member for Broadview the basic philosophy of the NDP.

The Minister of Justice, I believe it was, provided the members of the Standing Committee on Justice and Legal Affairs last year with a document which outlined in detail the provincial training courses and tests for those seeking a licence to carry a rifle or a shotgun. A review of this document clearly shows that the provinces are well equipped to handle the situation and that they do not need the intervention of the federal government. It is certain that the taxpayer does not need it.

The province of British Columbia requires a minimum of 20 hours of study before an application for a licence is made, and the issue of a licence is still subject to an individual who has followed that course of study passing a test on the subject material. What is the subject material? It includes outdoor ethics, in other words, how to treat your neighbour, the farmer or the rancher; the proper way of handling a gun when out with someone else; gun-handling and firearms safety; the regulations of the province of British Columbia; animal identification; bird identification; survival, and first aid. That is 20 hours of good, common sense education. I know that some provinces require certain periods to be spent on the gun range. Mr. Speaker, in every province in Canada, and in the Yukon—with the sole exception of the Northwest Territories—provision has already been made for proper training before licensing, in one form or another. I suggest the government could do a great deal to ensure uniformity by urging that certain criteria be established in every province. Beyond that, the need for federal intervention is limited.

I am disturbed that as a result of this bill the small businessman, the shopkeeper who sells guns and/or ammunition, will be subject to long and detailed documentation with regard to what he has in the store, what he sells, what he purchases, and the measures he takes to secure his stock. It amounts to one more piece of bureaucratic "bum-f", one more time-consuming operation inflicted by law upon the small businessman. No one has thought of saying, "Now look, we, the federal government, recognize that it is going to take a certain number of hours to fulfil the requirements we have laid down in the bill and we are prepared to provide some type of remuneration because we feel that this is important." After all, in British Columbia, at least, they refund 3 per cent of the sales tax, in many instances, to the shopkeeper who collects it. But not a dime is offered in this case. It is just another piece of paper to be filled out.

The other day we heard the Minister of State for Small Business (Mr. Marchand) telling the House how concerned he is about the bureaucratic red tape which must be cut in order that small business, the employer of more than 50 per cents of Canada's work force, may survive. Well, perhaps he succeeds in removing one piece of red tape, but when he turns around he finds another in its place. Where does it all end? Surely the Minister of State (Small Business) should have been consulted before the Solicitor General or the Minister of Justice—he is the sponsor of this bill—decided to propose that particular provision, which I think is Section 104 (11). I hope the Minister of Justice will reconsider the terms of reference of the bill. I see he is scratching his head so I think my message has got through.

• (2030)

There are a multitude of concerns which I have about this bill, and one of them refers to murder statistics. I heard a great variety of figures bandied about this afternoon indicating that that the crime of murder involving the use of guns was escalating. The hon. member for Broadview compared the number of cases in Canada with the number of cases in the United States. This is an oranges and apples argument because he did not give the per capita ratio. I have always been under the impression, and I judge from your smile, Mr. Speaker, that you have also, that the United States has a somewhat larger population than Canada. Therefore I would seriously question statistics offered by the hon. member for Broadview having to do with the number of crimes of violence resulting in death in which the use of a gun is employed.

The hon. member also says that a Gallup poll had revealed that more than 85 per cent of Canadians were in favour of gun control. I would ask, where was this Gallup poll conducted? Was it conducted in the city of Montreal, or in the city of Toronto, or in Vancouver? What was the question asked? How was it posed? Was it a motherhood kind of question? Was it a question of: when did you stop beating your wife? How many times was the same question posed to the rural community? Where is the rural balance in this Gallup poll? I am not convinced that that Gallup poll is in any way, shape or form, accurate.

I recognize that in major urban centres crime does present a serious problem, one which the government has to date categorically failed to address itself to because of its soft treatment of violent criminals. Wall to wall carpeting and television will be next, Mr. Speaker. I can understand the concern of people in Toronto, Montreal and Vancouver. I can understand that they may feel the next step is the ghetto situation in New York, where apartment dwellers require security guards 24 hours a day and have to show identification to get into their own apartment building. It is to be hoped we will never reach that stage. These people fear crimes of violence committed by criminals who, through one means or another, have obtained registered or unregistered handguns.

No one can convince me, nor can statistics demonstrate, that crimes of violence in major urban centres in Canada or in the United States involve the use of shotguns or rifles. These crimes, simply because of the dimension of the weapon, involve the use of either licensed or unregistered hand guns, so do not give us this shallow argument that these crimes involve the use of rifles and shotguns.

I am aware that statistically, as the Solicitor General pointed out earlier today, some crimes of violence are committed by people against someone they know—for example, the family quarrel. But do you honestly believe, Mr. Speaker, that if an individual applies for a licence to buy a rifle or shotgun this week, this is going to have any bearing on a murder which may be two or three years down the line? I would challenge the

Solicitor General to demonstrate statistically, or in any other way, how many of these people involved in family quarrels which sadly end in death are found sane and sound, and are sane and sound at the time they register for the right to purchase a rifle or shotgun. You can twist statistics anyway you like, Mr. Speaker. I am not directing this comment to anyone in this House, but I could quote the old saying that figures don't lie but liars can figure.

Earlier today I listened to the hon. member for Broadview suggesting there had been a remarkable increase in the number of guns purchased in the past year; I think he quoted the figure of approximately 260,000. The hon. member was astounded that 260,000 guns had been purchased in Canada last year. I ask, how many were hand guns? One hundred, 200? If the figure is above 1,000 I would be astounded. The hon. member for Broadview has not the foggiest notion because he lives in the city, and probably does not know one end of a duck from the other. He would not know that the average hunter may decide that for upland game his 20 gauge is fine but that he needs a 12 gauge for the geese. He may think that because he had an 8 per cent increase in his wages under the guidelines of the Anti-Inflation Board he might be able to afford a new 12 gauge shotgun. Or he might decide his old double barrelled shotgun is worn out. The hon. member for Broadview probably does not realize that guns do indeed wear out and new ones must be purchased. Neither does he realize that someone with a 30.06 or gun of similar calibre may get interested in target shooting and that instead of his 30.06 or his 7 mm. or his .308 he may decide to pick up a .22 rifle, which is quite satisfactory for target shooting.

I suggest that the increase in the number of guns purchased across Canada last year is really an innocuous and innocent circumstance. The manner in which the argument was presented by the hon. member for Broadview would give one the impression that all of a sudden 260,000 people were bent on murder and crime. That is unadultered nonsense, Mr. Speaker.

● (2040)

I noticed there was reference made by the Solicitor General today to the careless handling and storage of guns. I hope we are not again going to be put through that exhaustive exercise in committee, asking for a definition of what is careless storage of guns.

An hon. Member: What is your definition?

Mr. Brisco: I could make some suggestions; first that the amnunition not be stored with the rifle; second, if the rifle is a type from which the bolt can be removed, that the bolt also be stored separately from the gun; and third, if you wish, that the gun itself be locked.

Incidentally, Mr. Speaker, I cannot help but remark on a response from the hon. member for Calgary North in case *Hansard* missed it, and *Hansard* does not miss very much. The hon. minister said that I was improving on my address of last year, and the hon. member for Calgary North has just remarked, "And so has the legislation". I have to agree. I am glad to be able to put that on the record.

An hon. Member: But that is not enough.

Mr. Brisco: Let us give the member credit for his interjection. Which riding is that hon. member from? Would you help me on that point, Mr. Knowles?

Mr. Knowles (Winnipeg North Centre): Order!

The Acting Speaker (Mr. Turner): The hon. member for Kootenay West (Mr. Brisco) should refer to another member of this House by his riding and not by his name.

Some hon. Members: Hear, hear!

Mr. Brisco: That intervention completely upsets my entire trend of thought, Mr. Speaker.

The hon. member for Broadview, who is replete with suggestions today, suggested that those who use rifles and shotguns should store them at the local club and not take them home, as they do in England. That sounds like a jolly good idea, Mr. Speaker. I can just see the local gun club being broken into and 50 or 60 rifles and shotguns disappearing in one fell swoop! I suppose the hon. member for Broadview did not think about that particular point.

What concerns me and what concerns people in the rural areas, who do not live in cities and do not live next to or close to crimes of violence, is what point is there in storing rifles and shotguns at some remote gun club when the next evening you have at your doorstep a cougar that is about to take away your pet dog or cat? I suppose the odd member will snicker and say, "What is the member talking about?" I would refer that sneering member to the town of Nakusp, British Columbia, which is a quiet little community of 4,000 or 5,000 souls.

If one were to drive through there, one would see water, trees, the forest, people, some industry—not enough—but you would not see a cougar. Yet this winter there have been three separate instances in that community where cougars have come to the doorsteps of houses and have seized a pet dog or cat and have run off with it. In terms of size, there is not much difference between a pet dog or cat and a small child. There are documented incidents of that as well. What use is a gun in that community if it is stored at a gun club?

I remember dealing with Bill C-83 in committee last year and remarking about bears walking the streets of Trail. I was somewhat oppressed because some hon. members thought it was all very funny and really did not think it was true. Yet, some ten years ago, within 100 yards of my house a neighbour killed a marauding grizzly bear. Surely in the city of Trail you are not going to come across a grizzly bear wandering the streets. That is true, but you must remember the outer fringe of some of these communities borders on mountains, trees, streams, bush and hillside, really all very innocent-looking. Within a block and a half or two blocks of my home, regularly every summer the British Columbia department of fish and game has to establish a bear trap because bears move down

from the hillsides and into local communities. It is unfortunate when they do that, because they become susceptible to a habit pattern which keeps bringing them back. Although it might be quite fine for a child to cuddle a teddy bear, I do not recommend the same type of treatment with an unpredictable black bear.

While there are some very legitimate concerns on the government side with reference to the need for gun control, concerns that I recognize, I urge that the government maintain the posture of allowing the provinces to handle the control of this particular problem, that the government co-ordinate it, and if a shopkeeper is to have imposed upon him a great deal of bureaucratic paperwork, that he be given the right and the opportunity to receive some reimbursement for that effort. If that is not the case, then the government is giving the lie to its expressed concern that it is going to cut red tape for small businesses.

I ask that the Minister of Justice and the Solicitor General recognize that there are concerns which are not just urban but also rural. I notice in the bill there is a happy provision that a hunter who relies on game for his livelihood or to provide for his family, does not have to pay a fee.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with unanimous consent. Does the hon. member have unanimous consent to continue?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): The hon. member for Kootenay West (Mr. Brisco).

Mr. Brisco: Thank you, Mr. Speaker. I was going to conclude by saying—

Mr. Basford: On a point of order, Mr. Speaker—

Mr. Brisco: Did somebody say no?

The Acting Speaker (Mr. Turner): The hon. Minister of Justice (Mr. Basford).

Mr. Basford: Mr. Speaker, I would hope the hon. member would conclude his remarks fairly quickly. I would point out, on a point of order, that as the debate has gone on he is the first person on either side of the House who has exceeded his time. I would be happy to give my consent to his having more time, but I think the House would be interested to know that previous speakers, including the official spokesman for the opposition, completed their remarks within time.

Mr. Paproski: So what? That is the same as consent.

Mr. Brisco: Mr. Speaker, I am now at my concluding sentence.

I note there has been special treatment within the context of the bill for those people who must live off the land by hunting and trapping. I am delighted to see that particular provision has been introduced in this bill. I am sure the native peoples of Canada will also appreciate it. I will have more to say with respect to the new gun control section of this legislation when it reaches committee stage.

• (2050)

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I will try to make the points I want to make rather quickly. For one thing, I think peace and security seem to be in a bit of a retreat. The Toronto *Globe and Mail* says of this bill that some members of parliament have not read it. In fact the *Globe and Mail* specified six. I think the *Globe and Mail* is being generous. The bill was introduced on April 20. There are 86 pages in it. I suspect there are at least 40 additional pages of explanation, and the bill, of course, amends half a dozen statutes in a rather fundamental way, so I have no shame at all in saying that until I got ready for this debate, I had not read the bill either.

Mr. Speaker has ruled on whether this bill, which might be called a hodge-podge of legislation, conforms with the rules, and of course I would not presume to comment on that ruling. The fact remains, however, that I think we should reflect on whether it is good public policy to include such disparate concepts as wiretapping, gun control, dangerous offenders, custody and release of inmates, parole and probation, and some changes in the penitentiary service, within the ambit of one bill, and of course there are a couple of other aspects the enactment of which has been postponed because the bill's predecessor, Bill C-83, covered such a wide range of topics.

I think it is a great pity that this form of legislation seems to be coming more into fashion. I suspect that that means that a good many reforms that many of us would be anxious to have on the statute books are postponed because of other sections which are not acceptable.

I share the view of the minister that the hon. member for Calgary North (Mr. Woolliams) and the hon. member for New Westminster (Mr. Leggatt) made significant contributions to the debate. I am sure that the hon. member for Calgary North introduced his amendment, not to kill this bill, but in an attempt to divide it so that those parts which are amenable to quick passage will have that quick passage. I therefore propose to support his amendment, but because I think that the wiretapping provisions in particular are reprehensible, I hope I have an opportunity to vote against the bill on second reading.

Having said that, I think my hon. colleagues would want to share in a commendation of the mayor of this city. He has engaged in a voluntary program for the pick-up of guns of all sorts. This is an amnesty program initiated by Mayor Greenberg of Ottawa, and I hope that his idea spreads to other metropolitan areas in Canada. I suspect that no such need exists in rural areas.

It has been my experience as a representative of a predominantly rural area that most rural people are responsible owners, and I assume that that is the reason why the minister has made some fundamental changes to this legislation. I have no hesitation in commending the mayor of Ottawa for his

program of picking up unwanted, unused weapons. I also have no hesitation personally in saying that I like, and will support, those provisions of the bill which end over-the-counter sales of long guns, hand guns, or any other guns. I think society is at a state now where if anybody wants a firearm he should have to go through certain safety procedures to acquire one, and it will not really be very awkward for people to go through the somewhat modest procedures proposed by the minister.

I do not want to spend my entire speech on gun control; I want also to mention wiretapping. I do so with a great deal of sadness because I think there is a fundamental retreat by the minister. The addition of cases in which wiretapping can be used will be a retreat for the civil liberties enjoyed by Canadians, and the testimony in earlier hearings was against extending the list. There is no doubt about that. A careful examination of the evidence when the legislation first came before us shows that there should not be an extension of this list.

There are now 44 major crimes for which an authorization can be obtained. I believe very fundamentally that the wiretap is an extreme remedy. It should be confined to extreme cases, and the proposals of the government surprise me because of their illiberality. I think they are wrong-headed and unnecessary, and they fly in the face of the evidence given before the Standing Committee on Justice and Legal Affairs. The current restrictions on wiretapping have not meant an upsurge of major crime, and nothing I have heard in this debate makes me change my mind on that point.

The wiretapping law is, in terms of jurisprudence, new legislation, and this legislation should be tested. I think I am correct that there were no more than three reports given by the Solicitor General (Mr. Fox) about wiretapping. I may be generous by one or two, but this is not any test of the efficacy of this law, and I am ashamed that the government would think it needs to broaden this law in such an illiberal way. Its double irony, of course, is that it is brought in under the so-called heading of protection of privacy, and it in no way protects individuals against wiretapping. Rather, I regret to say, it licenses police departments to proceed.

The government is flying in the face of editorial writers from one end of this country to the other, from the largest metropolitan areas to very small towns and communities, and I am rather proud that the press has understood the concept behind the government's extension of wiretapping and has been quick to remind the citizens of a fundamental invasion on their liberties which will take place should this bill get the approval of parliament. I am not ashamed at all to take a minute or two to say that it will be a poor day for the history of this parliament if this measure does not undergo fundamental amendment when we get to committee. I am very surprised that the Minister of Justice (Mr. Basford) and the Solicitor General—for both of whom I have considerable respect—would countenance such an illiberal measure as this. Society does not need this change, and the present jurisprudence has not been tested sufficiently to warrant this invasion.

The minister seeks to make admissible in a courtroom evidence obtained by following up leads uncovered with an illegal wiretap. It is the old indirect evidence rule. I hope to live long enough to see the fruits of illegal wiretapping ended in our evidence law.

Some hon. Members: Hear, hear!

Mr. Fairweather: I would have thought that particularly the young Solicitor General would have been one person who would not lend his name to such a provision.

The minister wants to extend the period for notifying a person that his conversations have been wiretapped from 90 days after the tap to anything up to three years. Once again the Government of Canada is flying in the face of the evidence provided to the Standing Committee on Justice and Legal Affairs. This will mean that it will always be three years. We are told that three years is the maximum; I am willing to bet that in 95 per cent of the cases three years will become the minimum.

● (2100)

The hon. member for New Westminster, in a summary of the report of the Solicitor General on this particular part of the Criminal Code, reminds us that of the 1,062 people who were arrested as a result of wiretaps, there were 824 whose names did not appear on the authorization lists—those innocent citizens become the victims of "fishing expeditions"; of the 1,062 arrested there were proceedings against 368; all the 614 applications for wiretapping were granted. There was not a single denial by a judge.

I think this says something about the use of wiretapping and the need for it in this country. I find it a fundamentally reprehensible concept. I had hoped the government would have seen the light and not have asked this parliament to change the law and make it more restrictive than ever for our citizens.

I want to speak about two other parts of the bill very quickly, Mr. Speaker. I did not hear the Solicitor General speak, but my information is that the part of Bill C-83 which dealt with dangerous sexual offenders has not been changed in the present bill. The minister nods his head. Because of this sort of package deal—this is the clumsy cliché that we are now using—when we were considering Bill C-83 this part of the legislation was not given very close examination although the standing committee on Justice and Legal Affairs called a couple of important witnesses and had some written material of very great interest.

I want to read into the record now the comments made by the undoubted expert on this subject in Canada, Professor Cyril Greenland of McMaster University. I should like to quote from a paper given to the Royal Society of Medicine, London, in July, 1971, on dangerous sexual offenders in Canada. Sadly, six years later his words are just as apt, which says something about the way we have moved to address some of the social problems facing the country. He ended by saying:

> Confronted by complex problems of modern society, inaction is an enormously tempting solution for middle-aged men. In dealing with sexual matters, academic lawyers and some eminent jurists of this age also seem peculiarly prone to be more excited by shadows rather than the substance.

He went on to refer to Hans Mohr who did such excellent work for the Law Reform Commission. He said:

> My friend, Hans Mohr, probably had a similar thought in mind when, in the final paragraph of his book "Pedophilia and Exhibitionism" he wrote:
>
> 'Because sexual offences evoke an emotional reaction, not only in the general public, but also in those dealings with the offender, it is especially important that judicial and correctional procedures be based on what the problem is, and not on what it is feared to be.'

I am certain that that admonition of Professor Mohr, reinforced by Professor Greenland, has not been met by the proposed amendment to the act.

Professor Greenland went on to say:

> The real problem in Canada, as in other jurisdictions, is that the public are being cruelly deceived into believing that the law protects them and their children from assault by vicious sexual criminals. Dangerous sexual offender legislation does nothing of the kind. What it does—often in a mockery of justice—is to give the public a false sense of security by incarcerating, virtually for life in conditions of appalling degradation, a pathetic group of socially and sexually inadequate individuals.
>
> Legislators, jurists, lawyers and psychiatrists must be convinced that punitive action is no solution for that most painfully human condition called sexual deviation.

I suppose that these words are not popular and that Professor Greenland and Professor Mohr are not listened to by governments. But I for one feel that in any sensible debate of an act to change the Criminal Code, these words should be considered.

My last point is about the penitentiary section of the bill, Mr. Speaker. It is somewhat ironic that we should be dealing with some changes in the parole and also in the penitentiaries section of it a day or two before the subcommittee on penitentiaries of the Standing Committee on Justice and Legal Affairs is expected to bring in its report. I would have thought that this section might have been hived-off and the subcommittee at least extended the courtesy of waiting for their recommendations, which we all know are coming—I suspect in a rather cross-party way—in respect of some needed reforms. Yet the government bulldozes on with this hodge-podge of legislation covering six or seven statutes, several of them in a retrogressive way; and in no way that I can see, except perhaps in the provincial prisons section, is there any reform in the law that is worthy of being considered liberal.

Some hon. Members: Hear, hear!

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, the hon. member for Fundy-Royal (Mr. Fairweather) began his remarks by saying that not very many members have read this bill. I want to say at the outset that I have read all 80 pages of it and I cannot help but think that the premise of the legislation is that more laws will make more law-abiding citizens. That is certainly far from the truth. If it were so, Canadians ought to be the most law-abiding people in the world. But presumably the government has introduced this bill because it is a security package.

Mr. Peters: There are more people in our jails than in any other country in the world.

Mr. Friesen: That may be so, and perhaps some of them should not be in jail.

My objection is that this is an omnibus bill containing five separate and distinct pieces of legislation which ought not to be yoked together. Parliament deserves an opportunity to debate and decide upon them separately, and the public has a right to know exactly what is contained in the legislation. With this kind of package we will never know for sure.

Hon. members will recall that when we were discussing the old Bill C-83 in committee last spring some members complained that certain sections got scant attention just because the package was too big. If the government were really serious about passing the measures contained in this bill then it would separate it into the logical components into which it already falls, and let us debate them separately.

The Minister of Justice (Mr. Basford) has already been quoted as saying that he is afraid this bill has been watered down too much and the public may think it will have very little effect upon society. That simply underscores what I have said—that the bill is based on the premise that more laws will make more law-abiding citizens. If this bill has been watered down so much, why introduce it to the House in the first place?

The hon. member for Kootenay West (Mr. Brisco) handed me a note just before I began to speak, Mr. Speaker, with a message from the B.C. Wildlife Association which is holding its convention at Williams Lake today. The message reads as follows:

> B.C. Wildlife Association at convention today voiced total opposition to Bill C-51. Disgusted with Basford's incompetence and insincerity and convention demands his resignation.

The Minister of Justice met with the B.C. Wildlife Association last year and presumably listened to them.

An hon. Member: They also got their Liberal memberships.

Mr. Friesen: That is right, at the nominating meeting. Maybe that is why the minister has announced he does not plan to run again. Perhaps the minister does not want to run again because he knows the difficulties he would face from the avid hunters in his part of the country.

● (2110)

An hon. Member: Perhaps he'll be made a judge.

Mr. Friesen: Perhaps he will be made a judge. Mr. Speaker, if this law is necessary, it should contain provisions which will make it effective.

I noticed two days ago an article entitled "New Gun Law Measures Are 'Just For Show'" printed in the Vancouver *Province*. The author is Mike Cramond who, for all I know, may be one of the minister's constituents. I wish to quote part of his article. He begins by saying that he met a member of the police administration in British Columbia and asked him what he thought of the amendments to the Criminal Code. According to the article:

He replied: 'Well, it looks as if the public criticism over the lawlessness of recent times had made them feel that they have to look as if they are doing something to deter it. By taking the action of presenting a bunch of amendments to the law it will get the public off their back. And, they can say: 'Look, we have done something.' Then, they can sit back and say: 'We've done our best'

He went on to say:

Frankly, for a moment I was stunned at the revelation. This was a man of the law, an experienced executive police officer. My next question was: 'Do you think the changes are necessary?'

He shook his head. 'There isn't anything ineffectual about the Criminal Code as it stands. It covers everything in the way of a crime. It just has to be administered properly. Agencies interfere with the proper course of justice. Case loads are so high that courts can't handle them.'

I asked: 'Then, do you feel that the 'gun control' measures are necessary?'

His reply: 'There is a law to cover any gun infraction right now. They might make some new infractions.'

I could see that he was uncomfortable, really not sure of his position as a law administrator, specifically talking to a reporter.

Mike Cramond went on to say that we do not need more laws. We need to make our present laws more effective, by enforcing them. He went on to take pot shots at some of my colleagues in the House, and at esteemed members of the legal profession. He said, and I quote:

The main problem for the long-suffering public, in particular the gun owner, is that delaying tactic with which the legal profession is very familiar, 'getting an adjournment', knowing that each delay suffocates the public's willingness to go on fighting to maintain its rights.

That is the nub of the problem. We do not need more laws. We need to give authority to those who administer the law; we must make sure that we enforce laws we already have. We must remove some of the rights which practitioners in law now possess of holding up due process of law. They have that ability under current practice.

Now I wish to turn my attention to the bill itself. As I said, it is divided into five parts. There have been some improvements made to the bill, as I said previously. The minister obviously has listened, but listened with only half an ear. If he had listened properly to the people representing—

Mr. Leggatt: Gun owners?

Mr. Friesen: —gun owners, gun clubs, antique owners, and the legal profession, as they appeared before the Standing Committee on Justice and Legal Affairs last spring, he would have introduced an effective bill which would do for the public what it ought to do. I am cheered to note that the bill now requires gun users to prove their competence with guns. I called for such a provision last spring, as did many other members. We said, what is the good of having a licence if you do not know how to use a gun?

Mr. Leggatt: If you don't know how to shoot straight.

Mr. Friesen: That is right. The gun licence should be something like a driver's licence. You may have a driver's licence but not own a car. On the other hand, if you possess a driver's licence you must know how to operate a car. Similarly, because you possess a gun licence does not mean that you necessarily own a gun, but you should not be allowed to use a gun unless you have a licence. In other words, you should be able to produce proof of your ability to operate a gun properly, if you own a gun. I am glad to see such a provision included in the bill.

Why should we include in one bill provisions like the one I just mentioned, and other provisions which are reprehensible not only to members of this House but to the sense of justice of all in society? Specifically, I am referring to the wiretap provision, which is an invasion of privacy, to the parole legislation in this bill, and to certain aspects of the dangerous offenders provisions of this bill.

Let me read into the record one of the provisions in this bill having to do with the Penitentiary Act. Proposed section 26.2(1) on page 76 of the bill reads:

Where, pursuant to an agreement under subsection 19(1), an inmate has been admitted to a provincially operated mental hospital or to any other provincially operated institution in which the liberty of the patients is normally subject to restrictions, the officer in charge of the provincial institution may permit temporary absences from that institution within the limits prescribed in paragraph 26(*b*) . . .

(*b*) without escort, when he is delegated that authority by the National Parole Board.

My understanding of this part of the bill may not be correct, but if that provision says what I think, it is a dangerous provision. Any provision which allows a local official to release without escort someone who has been convicted of a crime and then put in a mental institution is dangerous. I suggest that is a dangerous practice and dangerous provision to include in the bill.

Subclause (3) on page 77 reads:

For the purposes of paragraph (1)(*b*), the National Parole Board may, if it has determined that an inmate or a class of inmates is one for whom or which temporary absence without escort is appropriate, delegate authority to grant temporary absences without escort to that inmate or class of inmates to the officer in charge of the provincial institution described in subsection (1) subject to any conditions it deems advisable and for such period as it sees fit.

Let us suppose we are satisfied with the gun provisions of this bill and want to pass them as they are. That is not the case, but let us suppose it is. Why should that legislation be included in the same bill which deals with the Penitentiary Act, about which we have some question? In other words, why hold up the legislation because, although we may agree with one part of it, we may have some questions to raise about the other? Bringing together in one bill these various pieces of legislation verges on the immoral.

I repeat what I said at the beginning of my remarks. This bill has been drafted on the premise that more laws will make our citizens more law-abiding. We know that is not so. Therefore I cannot support this bill, will vote against it, and ask for the support of hon. members to defeat this bill.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, when I participated in the debate on the late and unlamented Bill C-83 one year ago, I drew attention to some of the zany features of it. After I had finished speaking I walked down the corridor with a friend. He said, "You must be crazy to say what you did, because no government would ever be so foolish as to put so many stupid features in one bill." I said, "Wait and see." Time has vindicated me, because Bill C-51 does not

contain three or four zany features which I had particularly illustrated in my speech. It has also helped to save Aunt Minnie from being thrust into a federal penitentiary.

First, let me allude to the zany features about which I spoke in the debate on Bill C-83. I drew the example of a Canadian serviceman trying to defend that beautiful part of Canada known as Halifax-East Hants against invaders who were armed with nothing more than that deadly weapon Bill C-83 as presented to us then by the Minister of Justice (Mr. Basford). These bookladen invaders were able to tie our stout defender up in no time at all. For one thing, they found that as a serviceman he was entitled to carry a weapon. However, he had not obtained a licence to put ammunition in that particular weapon. This was one of the features of the brave attempt by the Minister of Justice in Bill C-83 to deal with some control of deadly weapons.

● (2120)

The Canadian soldier was rash enough to point the weapon at the invader. This drew a further penalty. On the way back to headquarters, they marched through a field in which was scattered ammunition. The ammunition provision in Bill C-83 provided a further penalty against our stout Canadian defender. When the Canadian defender wanted to leave all his arms behind him in the museum of his own choice, it was pointed out that this too was an offence.

By the time that particular mythical war was over, the Canadian soldier had lost 17 years of his life in the Canadian penitentiary, although some of that might have been forgiven on the grounds of good behaviour. The enemy, armed only with Bill C-83, was in firm charge of the field.

Those things have been corrected. I hope that the hon. member who thought that no government could be so zany as to bring in measures like that will now realize that a government can be that zany. In any event, I want to give the Minister of Justice full credit for removing those zany features.

One part of pursuing zaniness to its ultimate conclusion was when I pointed out to the Commissioner of the Royal Canadian Mounted Police that there would have to be somebody in every detachment across Canada who would licence the undermembers of each particular detachment to chase the criminal element with loaded weapons. Otherwise the RCMP officials would be in violation of the law. The Commissioner of the RCMP said that was impossible. Somebody then whispered to him and he said that they were correcting that with an amendment to Bill C-83.

I enjoyed myself. The press obviously felt like the member of parliament who said that no government could be that zany. The speech never created the slightest stir of ink on any newspaper page across Canada that I can remember. However, the Minister of Justice, the Solicitor General (Mr. Fox), and people in their departments knew that I was telling the truth, the whole truth, and nothing but the truth. They knew they had to get rid of the zany features in Bill C-83. Some attempt has been made to do that at this time.

May I also say something on behalf of a grateful public which never has a chance to know the depths I went to in order to try and correct the zaniness at that time? May I say something to the minister on behalf of the Aunt Minnies of Canada? These were the old souls threatened with incarceration, fines and all sorts of prohibitions, criminal records in any event, when they dared to harbour antique firearms. The provisions in that bill were also zany insofar as they dealt with firearms.

One of the great occasions I had with that particular bill was to have a group of people drive up one Sunday afternoon to my home in Halifax. They brought antique firearms, some dating back to the time when Cromwell was terrorizing various parts of the United Kingdom in the name of peace and order. Some were from the time of the American revolution, some from the war of 1812, some from the revolution in the Northwest Territories, and the like. All these weapons were trotted into my home. I was told that all of them were subject to the sanctions of Bill C-83. I do not think anybody could have been shot with those particular weapons. They would not have been able to find ammunition that could be used in them. Nonetheless, as the bill proposed by the government came before us then, the owners of such weapons could have found themselves in great difficulty indeed.

I suppose across Canada there must be thousands of homes occupied by Aunt Minnies and other people where these antique firearms exist. We now have in this measure that which we did not have before, some method of saving Aunt Minnie from going to jail, from paying a fine, or at least from having her fingerprints taken by the constabulary of Canada. I have to thank the Minister of Justice for listening to the Aunt Minnies of this world. I also have to thank him for not attempting to apply the definition presented to us in the bill before us as it was an absolute farce and led to all kinds of strange results.

I will not take too much time because I want to see the bill get into committee. There is one point I want to draw to the attention of the Minister of Justice. I thought the natives of the northwest made very strong points indeed about their difficulty in buying firearms, either from dealers in their own localities or, as they seemed to prefer, from mail order shops. I want to give the minister notice that when the bill reaches committee I will ask some questions to see that the rights of the people in Canada who should have the use of firearms, those for whom shooting game is an absolute part of their lives, have that right without hindrance and a lot of bureaucratic foofaraw, to bother them.

I should say to the minister that I armed myself with four advisers, all of whom had a hand in telling me what they thought was wrong with the bill when it came in last year in the form of C-83. They were largely responsible for initiating my speech about the mythical invasion of Halifax-East Hants. I told the House tonight some of the hilarious and crazy things that the original suggested reform would have brought about. All of the four are now reasonably satisfied with the measure that is presently before us. That says some thing for the

committee system of the House of Commons. People had a chance to come before the committee, present their views and, after pounding away at the government for a while, to convince the Minister of Justice and others that the measure that was being proposed was totally inappropriate in a democratic society. Even though it did take a little bit of arm twisting and friendly persuasion, those people were heard in a democratic way. Some thanks should be given to the sinner who has reformed.

● (2130)

The other point I should like to make before concluding is that I think the proposal to extend what I call the liberalization of the wire tapping provisions is a heinous one. I believe it has to be fought, and I hope we do fight it as hard as we can in committee, if indeed the bill goes to committee.

Finally, I should like to support the suggestion made by my hon. friend from Calgary North. The trouble about these large helpings of Criminal Code reform—and this one runs to 85 pages—is that they cover too many subjects and make it almost impossible for one to take an honest stand for or against. One's inclination is to make a stand against certain areas of the bill while voting in favour of others. The process becomes a mockery. I know that governments have used this technique for years and years but some day, Mr. Speaker, this will stop. I hope that tonight we shall stop it with a vote.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I intend to be very brief because the hour is late. Besides, my colleagues insist on it. Nevertheless, I should like to say something about this legislation. I am of the opinion that the bill is not nearly as bad as it was when introduced in the last session of parliament. But it has been improved only in degree. It is true there is no need for us to get our neighbours to certify we are capable of owning or buying a gun. But it is a fact that when someone buys a gun from a neighbour they both have to be licensed. It is not only when it is bought downtown from one of the stores. It means that in any of the trading done between neighbours, if they pick up a shotgun or a .22 rifle, both those guns would end up registered.

The government is so hard up that it sets out to collect money on the basis of legislation meant to apply, largely, to the law-abiding, a bill that satisfies all the rednecks. Surely we ought not to be getting money out of this. If the minister is sincere in wanting to get guns registered, then why does he charge a fee for doing so? If a fee is insisted upon, why does the bill not say that the fee might be paid at the same time as the gun is bought in the store? There is really no point in making it necessary to renew the permit every year. The gun is registered and its location is known. Why does the minister want to collect a buck a year for five years? I predict this clause will be as difficult to operate as the attempt to secure $2 for licensing every radio in the country, which meant keeping track of all the radios. We found after a while we did not need it.

If the minister really wants to know where guns and rifles are, then why not encourage voluntary registration except in the case of new guns? I am sure many people, if asked, would voluntarily register their guns. But it would be absurd to expect them to register voluntarily if they had to pay a tax. Therefore they keep the guns at home and do not tell anybody. They are not obliged to tell anybody.

You know, Mr. Speaker, I am never sure whether the people who are talking about this gun legislation are policemen, or just fools, or hunters. The hunters, as a group, do not want any kind of control because they do not need any. The fools don't know. They are the civil servants who have never been off their fat derrières. They will rewrite a piece of legislation any way you want it. There may be exceptions, of course, and I hope that will cover the situation.

One of my hon. friends mentioned the number of guns which are stolen. It is true there are quite a number. Maybe that is why they should be registered. But there are 10 million guns in Canada, and it is my guess that if a fee were not involved and the minister asked for voluntary registration he would get 50 per cent of those guns registered. I do not know what the RCMP were able to find out when guns were registered years ago. At one time all guns in this country were registered. At the beginning of the war everybody was asked to register their guns. It was not so much the guns they were interested in. You went down to the police station and said, "I have a 44-40 Winchester, or a .309 Remington, or a .303 Enfield." Whatever you might have, shotguns included, you registered them. In this way a lot of guns were registered, including handguns. In my area a local gun shop is selling a handgun almost every day. These are not Saturday night .38 specials—they are conventional handguns. And they are not all going to gun clubs.

An hon. Member: Ontario separatists!

Mr. Peters: We may need these guns some time, Mr. Speaker. I have been listening to my colleagues who come from other parts of the country, and we may need them to protect ourselves from the rape of our resources in Northern Ontario.

Some hon. Members: Hear, hear!

Mr. Peters: But seriously, Mr. Speaker, I am shocked by the figures. The dealer was not the least bit shy. All the guns are registered. The police inspect them all. And the dealer does not see anything wrong with registering new guns. What he thinks is wrong is all the hardware stores being allowed to sell guns. He does not think the Canadian Tire stores and other stores where there is absolutely no protection should be allowed to sell guns. This dealer has police dogs and all kinds of alarms set up to protect the stock. His premises are not in town; they are located off by themselves and he needs a lot of protection because at times he has a large number of guns in stock there. He is a gunsmith as well.

Mr. Speaker, I don't go hunting any longer and I therefore do not need to buy guns any more. I have two or three and they are in a drawer, probably, and I handle them very carelessly because I do not use them. Most of the people in my

area handle their guns carefully because they use them. It is not unusual to go into a house in many small communities and see four or five guns hanging on the livingroom wall. The people think they are very nice.

Guns are very elaborate pieces of machinery. A number of people who were watching the news the other night saw that the mayor of one city has gathered up all the guns. They put them in a bucket and grind them up. That shocks me, actually, because some guns are beautiful pieces of workmanship. Many of them are as difficult to repair as a watch, and not many of us are competent to do that. But that is not to say that they are not dangerous. I am sometimes shocked at the insensitivity of my colleagues who like to see the destruction of guns which to many people are very valuable.

● (2140)

I do not want to speak for very long, Mr. Speaker, but I do want to say I am surprised at my colleagues who have not been vocal in their defence of the differences that exist in this country between various regions. We talk today about Quebec and its language being different from the rest of Canada. We talk about western Canada being different from the rest of the country because it grows grain. There is also a big difference between major urban centres and rural areas in the matter of guns.

I agree with people in the city of Toronto who say that a gun in the average apartment is purchased only for shooting people. Many of these people never get the opportunity to do anything else with a gun. The keep it for what they call defence, and that is defence against people. In my area it is used as a defence against the elements. Some members say they use a gun to shoot bears and wolves, but that does not often happen. But we who live in rural areas train our young people to use a gun for that purpose; we do not keep them for shooting people. So there again there is a difference. I am surprised at the insensitivity of many members of this House who support law and order but who are not willing to reflect the opinion expressed by many of those who live beyond the urban fringe and the "Golden Horseshoe."

I hope that when the bill goes to committee we will have an opportunity to state our position on wiretapping and on other parts of the bill, but I would not like it to pass second reading without having had an opportunity to put forward my northern views on this important subject.

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I am only going to speak for a few moments this evening, and it is very painful for me to have to admit that. However, we do want to have a vote tonight so I am going to take just five minutes to put on the record for the first time my views about wiretapping, which is all I shall address myself to now.

I am surprised and amazed that a government which is supposed to be headed by a great libertarian, the Prime Minister (Mr. Trudeau), would bring in a bill like this which would allow wiretapping with no notice being given the person being wiretapped for three years if a judge sees fit so to approve. Well, there are judges and judges. There are judges who are great upholders of the prosecutorial process. As one hon. member said this evening, there has not been one instance of a wiretapping application being turned down, according to the records filed for last year.

I am certainly against any widening of the law applying to wiretapping, any extension of the 90 period to three years, or even to 91 days or 100 days. The Prime Minister made his reputation on stating that the state should not intrude in the bedrooms of the nation; this was in 1968, or whenever it was he was justice minister. His government is now bringing in a bill like this, a Liberal bill, extending the powers of the police and the government to wiretap private citizens. I am unalterably opposed to that. If the state should not be in the bedrooms of the nation, I see no reason why the state should be able to wiretap the bedsprings of the nation, because that is what they can do, Mr. Speaker, under this piece of legislation. I do not believe in wiretapping.

When the justice minister spoke the other day he gave the usual false reason. He gave the usual reassurance to the ordinary citizen which is always dragged up. Whether it is Senator Foghorn in the United States or the Minister of Justice of Canada, the same old excuse is always given—I refer to *Hansard* for May 11—namely, that the activities of the bosses of organized crime can be more effectively investigated by wiretapping than is possible at present. I say piffle! That has nothing to do with it. At least, wiretapping has only slightly to do with the bosses of organized crime. It is the ordinary people of this country who can be wiretapped, yet we always hear this talk about the bosses of organized crime. When we hear about wiretapping we all get this vision about the Mafia, that only the Mafia is being wiretapped, and therefore it is all right for us to approve anything that the Crown wants to introduce in order to catch the Mafia or the people who were on television in Montreal a few months ago. Well, Mr. Speaker, that does not wash.

The two or three hundred wiretaps which went on last year were not all of people involved in organized crime. I am irretrievably opposed to the use of evidence obtained through illegal wiretaps. We should follow the United States precedent, not the English. I do not care whether the evidence is relevant or irrelevant; if it is obtained by illegal means it should be blocked from the courts. If we do not block it from the courts we are only giving the police and RCMP the incentive to obtain evidence by illegal means. If they know it can be used in court in any event they are not going to worry too much about the means. That is an inconsistency, and I hope to have a chance to vote against it.

I am also completely opposed to wiretapping of solicitors. I do not care if somebody persuades a judge that a solicitor or a lawyer may be involved in a crime. It is an absolute infringement upon our system of civil liberty to place a wiretap on a lawyer, or in his office, or anywhere near his place of business. You can do the same in his home as you can do in other people's homes if the law so permits, but to wiretap conversations between solicitor and client is absolutely abhorrent and

should not be permitted. Unfortunately this legislation does permit wiretapping of a solicitor if he is himself suspected of being involved in a crime. If it turns out that he has not been involved in a crime, Mr. Speaker, we are still wiretapping all his conversations which he is having with his clients most of whom have nothing to do with the alleged crime about which he is being wiretapped.

I do not have the time tonight, Mr. Speaker, to expand on these matters, but we did learn years ago that the Prime Minister is no great libertarian. In fact he is quite the opposite, as we learned under the War Measures Act implemented in Quebec a few years ago. This bill is another instance. Once it has served his purposes, the Prime Minister no longer cares what goes on in the bedrooms of the nation, and the police and RCMP can do what they like if this House will give them the power. Well, Mr. Speaker, I say count me out. I am going to vote against the wiretapping provisions of this bill if I get a chance to do so.

Mr. Cecil Smith (Churchill): Mr. Speaker, I suppose that in my initial remarks it is almost needless to say that the portion of Bill C-51 which concerns amendments to the Criminal Code with respect to firearms is far more acceptable than last year's effort, this of course being the result of very substantial changes to the content of that area of the previous omnibus bill.

Nobody can argue with the government's intent to protect more readily the lives and safety of citizens of this country. However, I think that legislation of this nature can be measured by degree. The previous gun control legislation, for example, was not acceptable because it went too far. I do not feel that such a severe proposal would have been very widely accepted. So far as I am concerned, though, the principle and content of the latest firearms legislation will not elicit the same degree of adverse reaction.

I will reserve comment on the other areas of the bill in favour of confining my remarks to the portion strictly related to firearms legislation. I am pleased to see that this latest proposition does not appear to have attached to it an inherent need for a large administrative structure. That was a very negative factor in last year's bill. I see that much of the actual administrative aspects, if you want to call them that, are left to the jurisdiction of police officers. I am thinking specifically of the areas that mention the fact that the new proposals build on existing systems such as the courts' powers and police record checks, and the fact that firearms officers will usually be police officers.

● (2150)

When I think of my own riding in particular, the allowance of certain concessions for exemptions to people who are dependent upon the use of firearms for their livelihoods is quite acceptable. I have no argument against the exception to the requirements for firearms acquisition certificates which allows persons dependent on trapping or hunting to lend firearms to each other without a certificate being produced. Second, I have no protest over the exemptions from certificate fees for those who hunt or trap for their living. This would go over well in the Churchill constituency, as it would in all northern areas where people depend on trapping and hunting for a living. The bill also honours current provincial safety programs that have traditionally been of provincial jurisdiction. I am in agreement with that portion of the bill.

There are still many areas of the new gun control proposal which are open to speculation however. For example, it is going to be difficult to determine accurately, and possibly legally, whether an individual can be considered potentially dangerous. Such a determination would make him subject to a court order prohibition that would prevent him from owning or using a firearm. This system would surely be abused.

The bill might also be labelled discriminatory in terms of the provision which stipulates that anyone with a history of mental disorder associated with violence is immediately prohibited from owning or using a firearm. This clause would also be open to abuse as it could possibly promulgate a steriotypic view of former mental patients in the eyes of law enforcement officials. I am talking about, a patient who has been released from a mental institution and who is now deemed to be of sound mind. What I mean is that an ordinary citizen could be discriminated against because of his past. This would surely be a difficult law to enact fairly. I know the intent behind this provision is well meaning, but it appears to me that the ethics of fair, just treatment and jurisprudence would be disregarded. It is also going to be hard to judge cases in which police can issue prohibitions where reasonable grounds can be shown that a certain person is likely to harm someone if he or she has access to a firearm.

The question of why the government still chooses to present firearms proposals in an omnibus form arises. The Progressive Conservative party has held firm to the belief that this sort of legislation should be introduced separately or severed from the rest of the bill altogether. However, the government has again given us an everything-in-one bill.

Although there are some weak areas of Bill C-51 in the portion dealing with firearms, I am sure that many of the bugs will be ironed out in committee stage. With those remarks I would like to conclude. I hope this bill will be cleared up and a lot of amendments made and accepted by the government at committee stage.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): The question is on the amendment (Mr. Woolliams) to the main motion. All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner): Call in the members.

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

● (2200)

(*Division No. 43*)

YEAS

Messrs.

Baker (Grenville-Carleton)	Gillies	McCleave
Bawden	Halliday	Muir
Beatty	Hargrave	Neil
Brisco	Hnatyshyn	Oberle
Caouette	Johnston	O'Sullivan
Clark (Rocky Mountain)	Lambert (Edmonton West)	Paproski
Crosbie	Lavoie	Peters
Crouse	Lawrence	Ritchie
Darling	MacDonald (Miss) (Kingston and the Islands)	Smith (Churchill)
Epp	Marshall	Stevens
Firth	Mazankowski	Towers
Forrestall		Whiteway
Friesen		Whittaker
		Woolliams—38.

NAYS

Messrs.

Allmand	Dionne (Northumberland-Miramichi)	Lapointe
Anderson	Douglas (Bruce-Grey)	Leblanc (Laurier)
Andras (Port Arthur)	Douglas (Nanaimo-Cowichan-The Islands)	Lee
Andres (Lincoln)	Duclos	Leggatt
Appolloni (Mrs.)	Dupont	Loiselle (Chambly)
Baker (Gander-Twillingate)	Dupras	MacEachen
Basford	Duquet	MacFarlane
Béchard	Foster	MacGuigan
Bégin (Miss)	Fox	Marceau
Benjamin	Francis	Marchand
Blackburn	Gauthier (Ottawa-Vanier)	McIsaac
Blouin	Gendron	Nicholson (Miss)
Breau	Gilbert	Nystrom
Buchanan	Gillespie	O'Connell
Bussières	Goodale	Olivier
Cafik	Goyer	Orlikow
Campagnolo (Mrs.)	Guay (St. Boniface)	Ouellet
Campbell (Miss) (South Western Nova)	Haidasz	Parent
Campbell (LaSalle-Émard-Côte Saint-Paul)	Herbert	Pelletier
Caron	Horner	Philbrook
Clermont	Isabelle	Poulin
Collenette	Joyal	Railton
Condon	Knowles (Winnipeg North Centre)	Raines
Corbin	Lachance	Reid
Cullen	Lajoie	Roberts
Cyr	Landers	Rodriguez
Danson	Lang	Rooney
Daudlin	Langlois	Roy (Laval)
De Bané	Laniel	Smith (Saint-Jean)
Demers		Stollery
		Tessier
		Turner
		Whelan
		Yanakis—93.

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

Some hon. Members: Agreed.

Mr. Speaker: All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Shall we agree to dispense with calling in the members?

Some hon. Members: Agreed.

The House divided on the motion (Mr. Basford) which was agreed to on the following division:

(*Division No. 44*)

YEAS

Messrs.

Allmand	Dionne (Northumberland-Miramichi)	Lapointe
Anderson	Douglas (Bruce-Grey)	Leblanc (Laurier)
Andras (Port Arthur)	Douglas (Nanaimo-Cowichan-The Islands)	Lee
Andres (Lincoln)	Duclos	Leggatt
Appolloni (Mrs.)	Dupont	Loiselle (Chambly)
Baker (Gander-Twillingate)	Dupras	MacEachen
Basford	Duquet	MacFarlane
Béchard	Foster	MacGuigan
Bégin (Miss)	Fox	Marceau
Benjamin	Francis	Marchand
Blackburn	Gauthier (Ottawa-Vanier)	McIsaac
Blouin	Gendron	Nicholson (Miss)
Breau	Gilbert	Nystrom
Buchanan	Gillespie	O'Connell
Bussières	Goodale	Olivier
Cafik	Goyer	Orlikow
Campagnolo (Mrs.)	Guay (St. Boniface)	Ouellet
Campbell (Miss) (South Western Nova)	Haidasz	Parent
Campbell (LaSalle-Émard-Côte Saint-Paul)	Herbert	Pelletier
Caron	Horner	Philbrook
Clermont	Isabelle	Poulin
Collenette	Joyal	Railton
Condon	Knowles (Winnipeg North Centre)	Raines
Corbin	Lachance	Reid
Cullen	Lajoie	Roberts
Cyr	Landers	Rodriguez
Danson	Lang	Rooney
Daudlin	Langlois	Roy (Laval)
De Bané	Laniel	Smith (Saint-Jean)
Demers		Stollery
		Tessier
		Turner
		Whelan
		Yanakis—93.

NAYS

Messrs.

Baker (Grenville-Carleton)	Gillies	McCleave
Bawden	Halliday	Muir
Beatty	Hargrave	Neil
Brisco	Hnatyshyn	Oberle
Caouette	Johnston	O'Sullivan
Clark (Rocky Mountain)	Lambert (Edmonton West)	Paproski
Crosbie	Lavoie	Peters
Crouse	Lawrence	Ritchie
Darling	MacDonald (Miss) (Kingston and the Islands)	Smith (Churchill)
Epp	Marshall	Stevens
Firth	Mazankowski	Towers
Forrestall		Whiteway
Friesen		Whittaker
		Woolliams—38.

• (2310)

Mr. Speaker: I therefore declare the motion carried.

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HARBOURS—CHURCHILL—STATUS OF PROGRAM TO ALTER FACILITIES IN VIEW OF CANCELLATION OF PLAN TO LAY HEAVY STEEL ON RAILWAY ROUTE

Mr. Cecil Smith (Churchill): Mr. Speaker, I am rising tonight to speak about the port of Churchill which, in light of recent events about which I will tell the House, does not have a very bright future.

Churchill has long been of priority concern to me. I have spoken in this House time and time again about how the port of Churchill must be developed if it is to remain operative and keep up with advancements in the grain handling system. I have told hon. members about the efficiency of the port. Churchill has been highlighted as one of the most productive and capable ports, for its size, in Canada. I have tried to convince the government that it must promote exports through Churchill and that the port has a capacity which far outweighs its current use. Churchill is capable of handling between 30 million and 40 million bushels of grain per season without difficulty, and the test year of 1976 proved that the port could easily handle a record shipment of 28.4 million bushels of grain.

The federal government has committed a great deal of money to the town of Churchill and to the port. The government funded an $11 million complex for the town, and a total federal budget of about $10 million has been committed for the restructuring and upgrading of the port. This estimate, however, has increased as the result of inflationary factors.

When broken into its elements the budget reveals that $200,000 will be expended to automate the scales and convert them to metric readings; $70,000 will be spent to improve loading chutes; $1.1 million is the anticipated cost of facilities for controlling grain dust; $500,000 will be spent on new staff quarters; $400,000 will be set aside for modifications to the tugboat there; $5.9 million will be expended over the next two years for dredging the port; and $800,000 was planned for changing the elevators to accommodate new aluminium hopper cars which will eventually replace Canadian National's fleet of grain handling boxcars.

It is with the last two items in mind that I am greatly concerned over a recent announcement by CNR that upgrading of the track to Churchill, which is necessary if the port is to keep up with CN's new grain hauling innovations, will not be completed as expected. Since there are moneys in the estimates for altering the car dumping mechanism to handle the new hopper cars, and since tenders have been called for the dredging of the turning basin at the port, it is my fear that these programs will have to be suspended as the result of CN's decision to discontinue upgrading of the track in question.

The Canadian National decision to halt work on the Herchmer subdivision could prevent Churchill from participating in long-term grain exports because the grain handling system in Canada is rapidly moving toward exclusive covered aluminum hopper car utilization. I have been led to understand that by 1986 the heavier aluminum hopper cars will have replaced the box cars that are currently in use on the Churchill line. If Canadian National Railways does not complete upgrading of the remaining 180 miles between Gillam and Churchill, the Churchill line will be obsolete in the realm of grain transport. Churchill could lose from 25 to 30 million bushels of northern Saskatchewan grain throughput if the line is not upgraded to accommodate the new cars.

The CN announcement which, incidentally, was brought to the attention of delegates to the 34th Annual Convention of the Hudson Bay Route Association in April of this year, came as a complete and utter shock to everyone. The Snavely Commission Report on Grain Handling Costs had recommended to the government that the 180 miles of track constituting the Herchmer subdivision north of Gillam be designated a "development" rather than a "grain dependent" line. CN, which had originally assumed that the line would be eligible for federal subsidy, had already invested $6 million in upgrading part of the line. Eighty-five per cent of the traffic on the Churchill line is grain. CN, however, cannot now justify a further expenditure of $15 million which is necessary for the completion of the line.

This entire situation has left me with the feeling that the government and CNR are in a flux. Although the government has injected a great deal of money into Churchill, it refuses to promote the port facilities. And until the Hall Report on grain handling and transportation is made available, the federal government will take no action itself in upgrading the Herchmer subdivision.

Then there is CN, which refuses to commit further expenditure on a line that, at this moment, appears as if it will never be profitable. The Snavely Report has reduced CN's confidence that money would be forthcoming for expenditures on the line. It, too, wants to hear the recommendations of the Hall Commission which, so far as I know, will be tabled Monday.

The people of Churchill, Mr. Speaker, do not know what is going on. They just do not understand why it is that their

future is so precariously unstable. CN's decision, compounded by the government's refusal at least to reassure these people, has left eveyone with the impression that their livelihood and future are in jeopardy. The people of my riding are furious about the announcement. Feelings of exasperation are outweighed only by feelings of helplessness.

It can be argued that upgrading of a rail line that is so important to many people must be in the national interest, so it is incumbent upon the government to see that money is made available should the recommendations of the Hall Report not favour Churchill. In any event, I believe the government should promote exports through Churchill. If the port was promoted, then the rail line to Churchill could be very profitable to CN, for example, if commodities other than grain were moved.

The government must also promote greater co-operation between Canadian National Railways and the Canadian Pacific Railway in transporting commodities to the port. The government must also encourage the Canadian Wheat Board to make greater use of the port. But the single, most important matter with which the government should deal expeditiously is the upgrading of the rail bed between Gillam and Churchill so that it can handle the new hopper cars. As I pointed out earlier, Churchill has a lot to lose if that project is not completed. The whole future of the port depends upon its ability to handle the hopper cars.

I urge the government to take my comments into serious consideration, for the future of the port of Churchill rests in its hands. I would like to say in closing that the people—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but his allotted time has expired.

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am pleased that the hon. member has raised this matter this evening. At the outset I want to assure him that the government does not share his pessimism regarding the future of the port of Churchill. About four years ago Canadian National Railways announced a program to upgrade its rail line to Churchill. This program would enable grain in the new style hopper cars to be handled all the way through to the northern port. Work has proceeded from the south and upgrading has generally been completed as far as Gillam. This leaves the northern section, known as the Herchmer subdivision, still to be upgraded.

● (2320)

Canadian National has applied, under the provisions of the Railway Act, to receive subsidy on the Herchmer subdivision. The Canadian Transport Commission has reviewed the case and subsidy payments were made for the years 1973, 1974, and 1976. No payments were made for the 1975 because of heavy sulphur shipments. The Canadian Transport Commission found that in that year no loss was in fact incurred on this line and no subsidy was therefore payable.

Earlier this year the Canadian National vice president for the western region announced at a Hudson Bay Route Association meeting that the railway had decided to delay plans for completing the upgrading work. The reason given was that the Commission with respect to the costs of transporting grain by rail, the Snavely Commission, which reported last December, found that the line was not a "grain dependent line." The interpretation by the railway seems to have been that because of the Snavely finding, the railway would not be eligible to receive reimbursement for capital investments made in the line. Quite frankly, it is hard to understand this reasoning because there is provision in the branch line subsidy program of the Railway Act to make such payments. The findings of the Snavely Commission really are not relevant in this context.

Canadian National has requested that its upgrading projects be treated as operating expenses so that they can be recovered through the subsidy process in the year in which the expense is incurred, rather than over the long-term life of the asset through depreciation.

The whole question of railway upgrading on this and other lines is one which will be taken up with the railways in the very near future. The Hall Commission on the prairie grain handling and transportation system has addressed itself to the over-all question of railway rehabilitation and upgrading and it is, of course, advisable to wait for this important report rather than to adopt an ad hoc approach to the prairie rail line problem. The Hall report is expected to be published at the beginning of next week.

In the meantime my hon. friend from Churchill can be assured that the Minister of Transport (Mr. Lang) is in contact with Canadian National, specifically in connection with the Herchmer subdivision. The importance of that rail line to the continuing viability of the port of Churchill is fully appreciated. Every effort is being made to ensure that the rail line does not restrict the port from playing its full role in future grain export programs.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the parliamentary secretary but his allotted time has expired.

MULTICULTURALISM—PROVISION OF ENGLISH LANGUAGE TRAINING IN VANCOUVER SCHOOLS—GOVERNMENT POSITION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, on May 3 I directed a question to the Minister of State responsible for Multiculturalism (Mr. Guay (St. Boniface)), and I asked of him information regarding the plans of his department to help the Vancouver School Board to provide a better standard of education for those students in the school system of Vancouver who need training in English as a second language. The minister's reply was confusing. It confused me, and also shows how confused the minister himself is. Even after several points of order had been raised he still could not get the matter straight. Eventually I dropped the subject and wrote him a letter. That I found it necessary to write a letter shows, I think that the minister does not know what is going on in the department. Finally, I sent the minister all the material

which several members from British Columbia have received from the British Columbia school board.

The minister replied to my letter. Part of his letter reads:

> Since this matter falls within the jurisdiction of the hon. John Roberts, Secretary of State, I have forwarded the above-mentioned to him.

I wish he had told me in the House that the matter is not within the purview of his department because I could have directed a supplementary question to the Secretary of State (Mr. Roberts). Be that as it may, I wish to point out to the parliamentary secretary some of the salient facts which face the Vancouver School Board as a result of the government's immigration policy. Again, the children are used as pawns. They are the innocent victims of the mismanagement of which the government is guilty.

The children have suffered ever since the former hon. member for Verdun, acting in his capacity as minister of manpower and immigration, introduced the new policy in 1968. The innocent children have been suffering because the support system which ought to have been in place for their benefit and that of their parents in Canada, was not in place. Without adequately investigating all that Canada can do for those new Canadians, or immigrants, the minister introduced a policy which has subjected those people to a lot of misery.

The brief that the Vancouver School Board sent to us points out, and I quote:

> Since 1975, the situation has reached the point where, for example, 42 per cent of our grade four children are from English as a second language background and we estimate that at least 40 per cent of our total school population come from homes where English is spoken as a second language.
>
> The Vancouver School Board is concerned that the federal government has ignored the special needs of this large segment of Vancouver's young society. We feel it incumbent on us to point out some of the problems encountered in the educational management of students who have English as a second language. Such students enter our educational system at various ages, from various cultures, particularly Asians in Vancouver, with varying educational standards, with the trauma described as cultural shock, with educational lag, and with a different native language.

It is not that the Minister of Manpower and Immigration (Mr. Cullen) has not heard about this because the Vancouver school board submitted a brief to him. I again quote from the brief:

> The Vancouver School Board has, as stated earlier, made presentations to the Minister of Manpower and Immigration without success. We find the negative responses from the federal government difficult to understand when we consider that:
>
> a) the Joint Parliamentary Committee has recommended to the government that direct funding be made available to school boards to assist in the education of immigrant youngsters;
>
> b) the problems regarding ESL students are a direct result of federal government immigration policies;
>
> c) although we have been told that constitutionally the responsibility for education lies with the provincial government, the federal government provides substantial grants for French language instruction and in the past has entered into agreements with provinces to upgrade vocational-technical facilities in secondary schools throughout the country and to provide funds for post secondary education;
>
> d) both the former and present B.C. ministers of education have assured us that there would be no problem in accepting federal funds for distribution to school districts for the education of ESL students.

[Mr. Friesen.]

Both ministers of education in the past two administrations said they would welcome this support. I would like an answer from the government. Is it going to implement a policy that works hardship on people and simply forget them? Is it going to neglect them? Is it going to provide the $2.9 million that is necessary for just the Vancouver School Board let alone the outlying regions of Vancouver, to provide the kind of education that is necessary if these youngsters in school and their parents at home are to become properly adjusted in our way of life and be able to make it on their own once they have been invited here? The people in Vancouver deserve an answer. We await that answer from the government.

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the fact is that major metropolitan school boards in all the principal immigrant reception areas of Canada, including Vancouver, have expressed increasing concern in recent years over their need to cope with effective teaching of immigrant children whose mother tongue is neither French nor English. Several such school boards, including the Greater Toronto, Scarborough and Vancouver school boards, have written to various of my colleagues setting out in detail the difficulties in which they find themselves.

As hon. members are no doubt aware, there have been for more than 20 years agreements between the federal government and the provincial governments under which the two levels of government share equally the cost of providing citizenship training, including language training, for adult immigrants. There are also agreements, with every province except British Columbia, under which the cost of language textbooks for such instruction is borne entirely by the federal government, subject to certain provisions on the rate of yearly increase.

In recent discussions on these agreements, officials of the various provincial governments have expressed their concern that the agreements are not applicable to children of school age, and have cited the various extra costs and expenses and difficulties that school systems encounter when there are very large numbers of immigrant children in the schools whose grasp of one or other of the official languages is not such as to allow them to progress at what is considered to be the usual rate. The concern of these provincial governments has been recognized and they have undertaken to provide further detailed information to the Secretary of State (Mr. Roberts) whose department administers these agreements. Under our constitutional system education is, of course, exclusively within the jurisdiction of the provincial governments.

● (2330)

I am informed that the Secretary of State is considering raising this matter with the Council of Ministers of Education, Canada; and no doubt, the school boards in the major immigrant reception areas—Toronto, Montreal, Vancouver and Winnipeg—will wish to convey their views on this to their respective departments of education.

I should also like to point out that legislation is currently before the House concerning immigration, and that one of the provisions of this legislation is for consultation with provincial governments on immigration demographics. As soon as the legislation is passed, and detailed consultations with the provincial governments can begin, some more systematic planning in this area will be possible.

EXTERNAL AFFAIRS—SOUTHWEST AFRICA—ALTERNATIVES TO TOURNHALLE CONFERENCE OFFERED BY DELEGATION

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, on April 25 I directed a question to the Acting Secretary of State for External Affairs with regard to Canadian participation in a delegation to South Africa, and received no answer to my question. Subsequently I directed a question to the Prime Minister (Mr. Trudeau) on the same topic and received no answer.

I am curious as to the progress of this conference. We are told through newspaper accounts that Canada has sent senior diplomats to join those of Britain, the United States, France, and West Germany in talks with the Prime Minister of South Africa regarding the future of the territory known as Southwest Africa. I realize it is rather heady stuff for Canada to be part of a five-power conference when the other four participants have been traditionally regarded as great powers in the world. But I wonder whether the government realizes what it is getting into.

Southwest Africa is a quarter of a million square miles in extent. It is larger than the combined areas of England, Austria, Sweden, Belgium, Denmark, The Netherlands, Portugal and Hungary. It is two thirds the area of South Africa itself. I have a feeling that the delegation which has officially gone out, and about which so little has appeared in the newspapers, is probably less informed on conditions in South Africa than were the volunteers who sailed to take part in the Boer War almost 80 years ago.

I am amazed that the government should send any representatives, whether we have a seat on the Security Council or not, to talk to the prime minister of South Africa about the future independence of Southwest Africa. I wonder what commitments we have made in terms of the policing of that land in the future. Our experience in becoming involved in United Nations peacekeeping is one of perpetual involvement. I doubt whether the impoverished United Nations organization is in any shape to finance the policing of that vast territory. And, somehow, I doubt that we are either.

I wonder if there was a commitment there to become part of the occupational force which would supervise the proposed elections in the regions. I wonder whether we have undertaken any commitment to the various native groups of that land and whether we have any real regard for the future of the kind of state which would be formed if it followed the pattern of so many other states in Africa—I think of Uganda as an example to chill the mind—as we consider turning over Southwest Africa to that possibility.

It is very strange indeed to find the government involved in all this at a time when we have just received a report on affairs in northern Canada, a report which discusses the homeland and spells out in chilling words a policy of apartheid for Canada and one which will certainly influence the discussion of native claims in this country for a long time to come. We have in the past rejected outright the policies of the South African government. We have refused, for example, to recognize the existence of the State of Transkei. Yet we are part of a representational group of five nations who are off to Johannesburg to talk seriously to the Prime Minister of South Africa about the future of Southwest Africa, when our own native policies in this country are a record of failure from start to finish. It seems to me absolutely presumptuous that we should form part of any delegation going that far to instruct South Africa as to what it should do, either in South Africa itself or in any neighbouring territory.

We have heard little about this matter, Mr. Speaker. We have had no progress report. The minister is not here tonight. I hope we will be given some reassurance that we have not started down the road to an endless commitment in another peacekeeping operation, because I suspect that once the South African government has withdrawn, if it does withdraw, from Southwest Africa there will be a bloodbath there unless the United Nations is prepared to supervise that territory for a very long time.

Have we had any assurance from the Soviet government that they will help to pay the cost? Although they have demanded removal of South Africa from the United Nations, they have refused to make any commitment to pay the cost of what is to come if the United Nations take over the territory. Have we had any regard for the people of Namaland, Okavangoland, Boesmanland, Hereroland, or Damaraland? What commitment have we given to them or to the people of Ovamboland, the most populous of all of the proposed homelands in the area?

What has this delegation gone to South Africa to talk about? It seems to me that if we have some good minds on how to handle native relations they should be transferred from external affairs to the Department of Indian Affairs and Northern Development so that they can begin to tell the government what to do about our own problems in this country.

[*Translation*]

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the persistent illegal occupation of the international territory of Namibia by the South African government has been of concern to the international community since way before 1966, at which time its responsibility was entrusted to the United Nations. Canada voted for the resolution of the United Nations General Assembly in that regard, and the decision was later reaffirmed repeatedly by the Security Council, and also in 1971 by the International Court of Justice.

Despite that clear manifestation of the international will on the matter, South Africa has refused to recognize the responsi-

bility of the United Nations towards that territory and, in recent years, took unilateral steps finally to grant Namibia some form of independence. In fact, in 1975, South Africa organized at Windhoek, capital of the territory, constitutional talks based on ethnic representation, but excluding some interested Namibian political groups. Those discussions continued in spite of Security Council resolution 385 passed on January 30, 1976, that provided among other things for the holding of a free election in the territory organized under the supervision and control of the United Nations, to lead to the total independence of the United Nations and the total independence of a united Namibia.

The government of Canada and the governments of France, the United Kingdom, the United States and the Federal Republic of Germany support the Security Council petitions without reservation and feel that only a settlement in accordance with the provisions of resolution 385 will be considered acceptable by the international community. That is the message which our representatives conveyed to the South African government in Capetown.

The discussions between South Africa and the five governments are only preliminary and are mainly aimed at determining whether it is possible to arrive at a settlement of the Namibian problem in accordance with resolution 385. Any major aspect of a settlement of the conflict should be secured between the UN and South Africa. It follows from the foregoing that the terms of reference presiding over the ongoing discussions do not cover issues like upholding the peace or sharing expenditures, which come under the United Nations.

The first phase of the discussions that ended Friday April 29 was characterized by open and useful exchanges between the representatives of the five governments and that of South Africa. The five governments are now examining the results of those discussions and are considering further talks to take place soon.

The Acting Speaker (Mr. Turner): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 11.43 p.m.

HOUSE OF COMMONS

Friday, May 13, 1977

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

PROPOSAL TO DENY SALARY TO PARLIAMENTARY SECRETARY—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Mr. Speaker, under the provisions of Standing Order 43 I rise to move a motion of vital importance to parliament and to Canada. In view of the fact that the Parliamentary Secretary to the Minister of Agriculture (Mr. Pelletier) admitted last night before the Standing Committee on Agriculture that he is not knowledgeable about agriculture and attempted to ask questions of the Minister of Agriculture (Mr. Whelan) in that committee, and in view of the fact that the responsibility of parliamentary secretaries is to answer questions in the absence of their respective ministers, for which they receive additional remuneration, I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That parliamentary secretaries not be paid the extra stipend for that position when they are not capable of performing their assigned duties, that of replying to reasonable questions pertaining to the ministers to which they are attached; and that the Parliamentary Secretary to the Minister of Agriculture be denied the salary paid to him as such until such time as he at least has read the *Farmer's Almanac*.

Mr. Speaker: Order, please. The hon. member for Yorkton-Melville.

REQUEST FOR DECISION ON CHICKEN MARKETING BOARD—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a motion under Standing Order 43 as well. Imports of broilers have increased to levels 50 times what they were five years ago. The over-all loss in gross economic activity in Canada resulting from the importation of broilers in 1976 alone is estimated by the Agricultural Economics Research Council to be over $101 million. Given the attempt by large food giants to undercut a national chicken marketing board by raising imports to this level, I move, seconded by the hon. member for Brant (Mr. Blackburn):

That this House urge the government to make a decision on a national board immediately since the longer the delay the more difficult it will be to operate that board in an effective manner.

Mr. Speaker: The presentation of such a motion pursuant to Standing Order 43 can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN BROADCASTING CORPORATION

CONTINUATION OF SERVICE TO CHURCHILL BY RADIO STATION CHFC—MOTION UNDER S.O. 43

Mr. Cecil Smith (Churchill): Mr. Speaker, I rise under the provisions of Standing Order 43 to deal with a matter which is of urgent and pressing necessity to the people of the town of Churchill. The Canadian Broadcasting Corporation has as its mandate extending national television and radio service to all areas of Canada. It has designed a $150 million program, known as the accelerated coverage plan, and northern Manitoba has been a beneficiary of this program. English language FM and AM radio and television repeater stations have been installed, and pursuant to obligations imposed on the CBC by the Broadcasting Act to extend national services in both languages, French radio and television now serves the north; the CBC now, contrary to its mandate, will terminate the CBC English language radio station in Churchill, Manitoba, after 25 years of service, and since there is no other radio service to the area, I move, seconded by the hon. member for Fraser Valley West (Mr. Wenman):

● (1110)

That the CBC, as a federal Crown corporation, be instructed to continue the present service of CHFC Radio to this community.

Mr. Speaker: Presentation of such a motion pursuant to Standing Order 43 requires unanimous consent. Is there unanimous consent?

Some hon. Members: No.

* * *

[*Translation*]

ENERGY

REQUEST FOR EXEMPTION OF NORTHWEST QUEBEC FROM PRICE INCREASE ON GASOLINE—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous

consent of the House to discuss a question of pressing necessity.

Since the Minister of Energy, Mines and Resources (Mr. Gillespie) has stated that the price of gas and heating oil would increase by 14 cents a gallon within two years and since northwest Quebec is now paying almost 10 cents more for gas than the rest of the country, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House ask the Minister of Energy, Mines and Resources to take the necessary steps to exempt northwest Quebec from the forthcoming price increases on gas till the prices paid in that area are comparable to those paid in the remainder of Quebec.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

ABORTION

ALLEGATION STATEMENTS IN "SEX EDUCATION: A TEACHER'S GUIDE" IN CONFLICT WITH CRIMINAL CODE PROVISIONS—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, in light of the fact that booklet Number 4 of the series entitled "Sex Education: A Teacher's Guide", printed and distributed under the authority of the Minister of National Health and Welfare (Mr. Lalonde) is in direct conflict with the provisions for therapeutic abortions in the Criminal Code, I move, seconded by the hon. member for Fraser Valley West (Mr. Wenman):

That this House direct the Minister of Justice to review booklet Number 4 of the series "Sex Education: A Teacher's Guide", to ascertain whether or not statements contained therein are in harmony with the Criminal Code and that he report back to this House with his findings within 60 days.

Mr. Speaker: Presentation of such a motion pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

* * *

ENERGY

PROPOSED SPONSORSHIP OF INTERNATIONAL CONFERENCE INTO RISKS OF OIL EXPLORATION IN ARCTIC—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of the fact that Canada is the first Arctic nation to commence drilling offshore in the Arctic waters; in view of the serious risk not only to our northern waters, but also to Arctic waters shared by our neighbours, the United States, Denmark, Norway and the Soviet Union, as pointed out in the Berger Report; in view of the possibility that an accumulation of oil in the Arctic could affect the northern climate by the albedo effect and all cause irreversible damage to the polar environment; and in view of the fact that there is no international agreement on Arctic development, I move, seconded by the hon. member for Northwest Territories (Mr. Firth):

That Canada sponsor an international conference of Arctic nations to commence joint research into the risks and consequences of oil and gas exploration and transportation activities in the Arctic Ocean.

Mr. Speaker: Pursuant to the provisions of Standing Order 43 presentation of such a motion for debate can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: Oral questions.

ORAL QUESTION PERIOD

[*English*]

CONFEDERATION

SPEECH BY GORDON ROBERTSON—GOVERNMENT POSITION ON VIEWS EXPRESSED

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to put my question to the Acting Prime Minister. It concerns a speech made by Mr. Gordon Robertson, secretary to the Cabinet, on federal-provincial relations when he spoke of the division of Quebec in the event that northern Quebecers voting in a future referendum do not vote to separate. I say that this can only be taken to mean that the government is prepared to at least partially comply with the results of a separation referendum. Would the Acting Prime Minister tell the House whether that speech represents government policy and if not, what authority did this senior public servant have?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I was aware personally that Mr. Robertson intended to make this speech. His views are his views. They are his views on a personal, individual basis, they are not necessarily government policy and were not intended to be an expression of government policy.

CONTINGENCY PLANS IF QUEBEC SEPARATES

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, it is clear that in his speech the head of the federal-provincial relations secretariat of the cabinet was speaking not on a matter of government policy. In fact, so far as the government is concerned, he has been denounced by the Acting Prime Minister for what he said. The speech also took the form of a blueprint for discussing the separation process, for discussing

technicalities, at least in the context of the death of our country, such as the ownership of the Canadian National Railways in Quebec, the St. Lawrence Seaway and the division of the national debt. Will the Acting Prime Minister tell the House whether this speech represented contingency plans for separation being made by the government and whether there are any plans of this nature being formulated by the government?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I would immediately want to correct any impression I may have created that I had denounced Mr. Robertson's speech. I tried to make it clear that Mr. Robertson was speaking as an individual Canadian and I think his speech was an impressive contribution to the debate on national unity.

Mr. Hnatyshyn: And it was not government policy?

Mr. MacEachen: The speech could be read with profit by all. That is the context in which we ought to regard the speech and we should not conclude from it that these are government plans or that it is an indirect way of indicating government policy. Mr. Robertson is one of the most knowledgeable and experienced men in this field, and it is excellent that he should have spoken out and given us his views on this question at this particular time.

Mr. Baker (Grenville-Carleton): Mr. Speaker, the Acting Prime Minister did not answer the question I asked, namely, whether the government is preparing contingency plans for separation, which is the issue we are considering, and whether in his speech Mr. Robertson indicated that those plans are either in existence or being formulated by the government. Sir, the speech also discussed the notion that the federal government might be willing to ensure that those people living in regions where a majority voted against separation could remain inside the union. Will the Acting Prime Minister tell the House whether this policy will apply to other parts of Quebec, such as the Gaspé or Montreal, or what is the government's policy in that respect, if it has any policy?

Mr. MacEachen: Mr. Speaker, first, there are no contingency plans. That ought to be made perfectly clear, and in so saying I am answering the question the hon. member asked. The answer is, no.

Mr. Baker (Grenville-Carleton): What about the answer to my second question?

POSSIBILITY OF ESTABLISHING THIRD ORGANIZATION CONCERNED WITH UNITY

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, may I direct a supplementary question to the Acting Prime Minister? We now have two bureaucracies dealing with national unity, and a short time ago the Prime Minister promised a third which seems to be a vehicle for recycling Jean-Luc Pepin. In view of the obvious confusion which surrounds the roles of the various unity agencies being set up by the government, will the Acting Prime Minister tell the House whether there are now any definite plans to establish the third unity organization to which the Prime Minister referred?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I am not clear what the hon. member means by a "third unity organization". It is unknown to me. I would say, in reply to the hon. member, that I hope at an early date to arrange a debate in the House of Commons on the question of national unity, and I believe that would be a good occasion to explore all the options the hon. member has in mind.

Mr. Paproski: Can we expect that debate before 1978?

* * *

NORTHERN AFFAIRS

ALLEGED CONFLICT BETWEEN QUEBEC LANGUAGE CHARTER AND JAMES BAY AGREEMENT—GOVERNMENT POSITION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I understand, from the Acting Prime Minister's answer, that the government will set up no further national unity organizations. May I direct my supplementary question to the Minister of Indian Affairs and Northern Development? Mr. Robertson, in the speech referred to by the hon. member for Grenville-Carleton, also raised the question of the rights of native people in northern Quebec. Last week the minister said he would be examining Bill 1 of the province of Quebec with a view to ascertaining its impact on native rights in general and the James Bay Agreement, Bill C-9, in particular. Is he now prepared to tell this House what is the legal opinion or whether he intends to take any steps to further test the constitutionality of this legislation?

● (1120)

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have not yet received the legal opinion on Bill 1, but I have had discussions with the chief in charge of the Quebec Indian Association. He has confirmed to me his opposition to Bill 1. That is Chief Andrew Delisle. I received from Chief Billy Diamond his exact words on this question in which he states that he cannot accept any legislation in Quebec which would be contrary to his rights under the Indian Act or the James Bay settlement. I intend to support him on that.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Will the minister undertake to the House to have that legal opinion brought forward before the statute of limitation expires? Also, will he tell us precisely when he expects to be able to report to the House in so far as the legal opinion is concerned and whether the government is going to take any action to test the constitutionality of Bill 1 by reference to the courts rather than giving us reports as to whom he has spoken outside of the legal side of things.

Mr. Allmand: Mr. Speaker, I will be pleased to make the legal opinion known as soon as I receive it. The lawyers are doing work. As the hon. member knows, they must do it thoroughly and carefully.

Some hon. Members: Oh, oh!

Mr. Allmand: These non-lawyers do not understand. My hon. friend will understand. In any event, the work will be done well in advance of the passage of the bill. As well, I promised the Indians in Quebec that we would not proclaim the bill until this matter is settled.

* * *

ENERGY

NORTHERN PIPELINE—REASON FOR FAILURE TO REQUEST UNITED STATES TO POSTPONE DEADLINE FOR DECISION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, as a non-lawyer I would like to ask the Acting Prime Minister a question.

Mr. Hnatyshyn: You are not only a non-lawyer, you are a non-nothing.

Mr. Baldwin: You are not even a good client.

Mr. Broadbent: According to a press report, the United States Ambassador to Canada, Mr. Thomas Enders, indicated in a very clear way that the United States is not under undue pressure to reach a decision on a northern gas pipeline. Since this assertion by the United States ambassador confirms what I said earlier in the week in this House, will the Acting Prime Minister explain why the government of Canada has not requested a postponement of the September 1 date at which time the Prime Minister of Canada informed President Carter that he would give our country's recommendation on a pipeline decision.

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I believe that the Prime Minister has indicated several times the desire of the government to reach a decision as quickly as possible, hopefully, which is the word he used in London, by September 1. If that time frame is not achievable, it would then of course be an option to consider whether the President ought to be requested to extend this period. I find it difficult to understand why the hon. member is constantly raising this question of more time. He does not seem to need very much time because he made up his mind on the Berger report in three days.

Some hon. Members: Hear, hear!

Mr. Broadbent: We will deal with the brilliance of that answer in about a half hour's time. Since the Prime Minister, both in his statements inside the House and outside the House in Europe, has always indicated that the pressure was coming from the United States for a September 1 deadline decision, since the United States Ambassador as recently as yesterday apparently said there is no such pressure and since the energy adviser to the President of the United States, Mr. Schlesinger, indicated there is no such pressure, why is the government of Canada maintaining that we must make a September 1 deadline decision when, as the Acting Prime Minister should know, there are so many unresolved issues, particularly on the Alcan possibility, which will not be settled by September 1.

Mr. MacEachen: I think the hon. member misunderstands the source of the pressure. The pressure arises from the United States law which obliges the President to meet a certain time frame.

Mr. Broadbent: Check again!

Mr. Douglas (Bruce-Grey): You check again!

Mr. MacEachen: What the Prime Minister is saying is that we ought to make up our minds and not be overtaken by events elsewhere over which we have no control.

Mr. Broadbent: That is not only nonsense, it is palpable nonsense.

Mr. Douglas (Bruce-Grey): Look who's talking about nonsense!

Mr. Broadbent: It will not do the minister any good to smile. Is he aware that the President of the United States is able to extend the deadline by 90 days, and, if he is, will he explain why the Canadian government, through its ambassador or through the Secretary of State for External Affairs, has not requested that use be made of such an option? I believe the United States expects a little initiative to be shown on our part.

* * *

[*Translation*]

CANADIAN NATIONAL RAILWAYS

PROBLEMS CAUSED BY TIMETABLE CHANGE ON SAGUENAY-LAC-SAINT-JEAN ROUTE

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I have a question for the Minister of Transport dealing once more with the passenger service in the Saguenay-Lac-Saint-Jean area. In the last few weeks, the timetable has been changed in our area; the CN realized it was an impossible schedule and finally came back to the former one, which is satisfactory to us. However, we had requested an inquiry into passenger service and a few weeks ago I received a reply. I had addressed my letter to the CN St. Lawrence region and a Mr. Yvon H. Matte answered my request by saying Mr. Emery Leblanc was the one involved in this matter. I then wrote to Mr. Leblanc who told me that the matter did not come under his jurisdiction and he sent me to Mr. Adrien Levasseur who said that this was not his problem but rather that of the Canadian Transport Commission.

I would like the minister to enlighten me a little and try to find the responsible person in this matter.

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will see whether I can help the hon. member.

[*Translation*]

REASON FOR USE OF OLD COACHES ON SAGUENAY-LAC-SAINT-JEAN ROUTE

Mr. C. A. Gauthier (Roberval): Mr. Speaker, while the minister is trying to do his best, I shall ask him a small service: I do not know if it is meant to play a trick on people in my constituency, but an old passenger car has just been put in service, directly from the museum, a coach which dates back to 1900, with wooden benches and heated with a huge oil furnace. That is making fun of people! I thought it was to save energy! I urge the minister to examine the matter and at the same time try to communicate with Mr. Robert—we also call him "Roberts" and "Robert"—he is responsible for that, and to put an end to that joke, because that is making fun of people!

* * *

[*English*]

NATIONAL DEFENCE

REASON FOR EARLY RETIREMENT OF ADMIRAL BOYLE

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I have a question to direct to the Minister of National Defence. Yesterday the hon. gentleman put out a very uninformative press release concerning the early retirement of Vice-Admiral Boyle, the senior naval officer in the Canadian Forces. Will he enlighten the House as to the reasons for this early retirement, bearing in mind that last year the Admiral received the Order of Military Merit in the grade of Commander for conspicuous merit and exceptional service to Canada?

Hon. Barney Danson (Minister of National Defence): I think the press release was explicit. It reflects the normal rotation of commanders which has taken place throughout the armed forces with the appointment of the new CDS. Admiral Boyle has served with distinction and vigour. I had hoped he would serve even longer but he has chosen to take early retirement. It is a decision I regret, but I know the country and the Navy in particular are grateful for his distinguished services.

● (1130)

Mr. McKinnon: A supplementary question, Mr. Speaker. Does the minister deny that Admiral Boyle was asked to resign some few weeks ago but refused to do so? Or is the minister telling the House that action culminating in the early retirement of the senior naval officer in our forces was carried to an irreversible stage without his knowledge?

Mr. Danson: Mr. Speaker, I can absolutely deny the allegation of the hon. member. Quite the reverse was the case; he was asked to remain and, as a matter of fact, at that time indicated that he would.

Mr. McKinnon: A final supplementary question, Mr. Speaker. The minister may use whatever euphemisms he wishes to attempt to conceal the fact that Admiral Boyle was fired by the route of being made an offer that he could not possibly accept.

Some hon. Members: Oh, oh!

Mr. McKinnon: Is it not true that after he declined to resign he was offered a position which would have removed him from any participation in naval affairs for the rest of his service?

Mr. Danson: Mr. Speaker, the hon. gentleman is still suggesting that the admiral was asked to resign. He was not asked to resign. Admiral Boyle is acting completely on his own volition, and indeed the other work that I had hoped he would take would be of considerable importance to the future of the armed forces of this country.

* * *

ENERGY

NORTHERN PIPELINE—REQUEST FOR ASSURANCE NO NEGOTIATIONS WITH UNITED STATES UNTIL LYSYK COMMISSION REPORTS

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I have a question for the Acting Prime Minister. There is a report today from U.S. government sources that the government of Canada will have to start formal negotiations with the United States on a pipeline across Canada by mid-August, if not several weeks sooner, if we hope to have any say in the United States government's decision, and that the extra time is needed for the President to meet his deadline of September 1. Will the government state unconditionally that there will be no such negotiations until the Lysyk commission has reported? It is supposed to report by August 1. Will the minister state that there will be no negotiations with the United States until after that report is received?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I am aware of a report to that effect. It is not the intention of the government of Canada to open negotiations with the United States within the time frame suggested. It is obvious that there will be discussions between the two countries from time to time on these questions, but the matter of negotiations is not in the cards within the time frame suggested.

NORTHERN PIPELINE—POSSIBILITY OF DEBATE PRIOR TO DECISION ON CONSTRUCTION

Mr. John C. Crosbie (St. John's West): A supplementary question, Mr. Speaker. The Acting Prime Minister will agree, I am sure, that the deadline set in the United States is one set by legislation, and that legislation can always be changed if

need be. Would the Acting Prime Minister confirm whether or not this timetable is the main reason the government refuses to allow the House to debate this issue before the government makes a decision, or is it possible that the government will permit the House to debate this whole issue when all the reports are in and before a decision is made?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I can give the hon. member an assurance that the government will give the House an opportunity to debate the matter before a decision is reached. As the hon. member may have noticed, I have put a motion on the order paper which is intended to provide for such debate as the occasion warrants it. It will be my intention to call that motion at a suitable time. For example, if further discussion is required on the Berger report, I could call it at a later point in the session if necessary, say following the NEB report. So the House will have an opportunity to debate the question on a number of occasions prior to any decision being taken by the government. I can give the hon. member that assurance without any conditions.

* * *

[*Translation*]

GOVERNMENT ADMINISTRATION

POSSIBILITY OF CANCELLATION OF MOVING INCOME TAX DIVISION TO JONQUIÈRE

Mr. Gilles Marceau (Lapointe): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce, since he is responsible for the federal services decentralization program.

A year ago, the minister announced that a tax data centre would be built in Jonquière, even though the Quebec government introduced its Bill number 1, which may affect the teaching language of the children of federal civil servants who will come to Quebec, and in spite of the statement made yesterday by the Quebec premier, who said he was fed up with federal ministers who act as terrorists. Does the minister see himself as one of those ministers and does he intend to change his decision regarding the building of that tax data centre in Jonquière?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I should be angry now because Mr. Lévesque has called me names. I think I will tell mommy. I feel it is absolutely ridiculous. Nevertheless, I do not intend to change the decision we have made. However, some other decentralizations will be proposed and I have told the Quebec government that if they cannot give the Anglophone civil servants who would have to settle in Quebec the guarantee that their children could attend English schools, we will not be able to decentralize in this province.

On the other hand, Mr. Speaker, Mr. Lévesque referred yesterday to the decentralization in Charlottetown, and again this morning I have contacted Premier Campbell of Prince Edward Island who told me that if Francophones were to be transferred to Charlottetown, French schools would be available for them. So I would like Mr. Lévesque to show the same generosity vis-à-vis the Anglophone civil servants who could have to settle in Quebec as Mr. Campbell is showing vis-à-vis the Francophones who could be transferred to Charlottetown.

* * *

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT—NEW PROGRAMS TO REDUCE LEVEL

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. In view of the Conference Board survey published today which shows that consumers are growing increasingly uncertain about the national economy and their belief that inflation will worsen in the next few months, and in view of the fact that the real economic growth declined in the final three months of 1976 and that unemployment rose to more than 8 per cent, is the government now giving consideration to new programs to reduce this disastrously high level of unemployment?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in general terms the answer was given yesterday to questions about possible changes in economic management policy. I have not seen the Conference Board report and I will certainly take a look at it.

POSSIBILITY GOVERNOR OF BANK OF CANADA EXPRESSING GOVERNMENT POLICY IN HALIFAX SPEECH

Mr. David Orlikow (Winnipeg North): A supplementary question, Mr. Speaker. Was the Governor of the Bank of Canada, Mr. Bouey, expressing government policy when he said in a speech in Halifax recently that putting more money into the economy and increasing government expenditures to restore strong economic growth and high employment would only compound Canada's difficulties rather than resolve them?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Governor of the Bank of Canada speaks for himself and he certainly has the status to do that.

* * *

DROUGHT

INQUIRY AS TO ARRANGEMENTS TO DEAL WITH SITUATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture. On May 4 I brought up the question of drought conditions, particularly in the Palliser triangle. While there have been some rains since, they have done no more in the Palliser triangle area than postpone the seriousness of drought. I ask the minister whether or not any preliminary investigations have taken place and arrangements made as to the course to be followed if serious drought follows in the days ahead?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the right hon. member for Prince Albert is aware of our announcement last Friday in the House. There have been interdepartmental discussions. I also had some discussions with three of the provincial ministers of agriculture from the western provinces when they were here on Wednesday. We have arranged a meeting for next week in Regina. We have appointed a federal co-ordinator in Regina who is one of our top advisers in western Canada to work with the provinces to co-ordinate efforts and actions and to put them into force. We will be meeting the provincial ministers no later than next Friday, possibly sooner if we can arrange that kind of meeting. Our officials are having another meeting here on Monday to put forward the final type of system that is needed. As the right hon. gentleman knows, that committee consists of members of the cabinet from western Canada who will be meeting with officials, plus the minister in charge of DREE and the President of the Treasury Board.

● (1140)

Mr. Diefenbaker: Mr. Speaker, I want to say to the minister that I deeply appreciate what he has just announced. There has been some mention made by him about ministers from western Canada. I wonder whether the lion and the lamb are going out to Saskatchewan to look into the drought situation. The hon. Minister without Portfolio and the Minister of Transport are supposed to be in Saskatchewan today in the Pelly constituency where there is a by-election. Are they going out there to look at the drought or the political drought of the Liberal Party?

* * *

ROYAL COMMISSION ON CORPORATE CONCENTRATION

REPLACEMENT OF CHAIRMAN, ROBERT BRYCE—INTENTION OF COMMISSION TO ISSUE REPORT

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Acting Prime Minister. I would like to ask the Acting Prime Minister whether the government has made a decision as to who is to replace, if anyone, Mr. Robert Bryce as chairman of the Royal Commission on the Concentration of Economic Power?

Hon. Allan J. MacEachen (Acting Prime Minister): No, Mr. Speaker, no decision has been taken on that point. I should say, in order to avoid a misunderstanding, that it is not the intention of the government to add a further person to the royal commission. That option has been explored, as I understand it, with the two remaining commissioners. Because of their desire to complete the report by September of this year, it was decided not to appoint a new person to the commission because if that happened it would obviously delay further the making of the report.

Mr. Gillies: Mr. Speaker, my supplementary question is also directed to the Acting Prime Minister. Do I take it from his answer that he is now giving an unequivocal undertaking to the House of Commons, which he was not able to do a week or so ago, that a report will be issued from the Royal Commission on the Concentration of Economic Power?

Mr. MacEachen: Mr. Speaker, it is the intention of the two remaining commissioners to produce a report, and as I understand it, to make it available in September, if possible. That is certainly the wish of the government. The report will obviously be made public although we all realize the regrettable resignation of the chairman has altered, to some extent, the balanced composition that had hitherto existed within the commission.

Mr. Gillies: Mr. Speaker, my final supplementary will be short. Just to be absolutely certain, this report will come out under the auspices of the royal commission and will not come out as a special report of the Economic Council of Canada?

Mr. MacEachen: That is right, Mr. Speaker. That was an option that had been considered at one point. It was abandoned, and the intention is it will come out under the auspices of the remaining commissioners.

* * *

PUBLIC SERVICE

POSSIBILITY OF IMPLEMENTING RECOMMENDATIONS IN FIFTH REPORT OF ADVISORY GROUP ON EXECUTIVE COMPENSATION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a question for the President of the Treasury Board which arises out of the fifth report of the advisory group on executive compensation in the Public Service. May I ask the President of the Treasury Board if he intends to adopt any of the recommendations that have been advanced in this report, and if so, is he in a position to outline those recommendations which he is considering at the present time?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, we are examining that report with great interest. We are giving it consideration. When a decision is arrived at, it will be made known.

USE OF PERFORMANCE STANDARDS TO SET EXECUTIVE COMPENSATION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, since the committee placed great emphasis on the performance assessments and the need of establishing principles of accountability which can be applied to clear and, if possible, quantifiable terms in respect of activities and responsibilities of executive personnel, could I ask the minister if he is undertaking any new initiatives in that particular area with respect to performance measurement standards?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, the comment on the performance measurement standards referred to in the report of the committee on executive compensation was critical of perhaps the over-enthusiasm

which has been applied to some of the assessments throughout the senior executive group. Certainly, we are conscious of this and are inclined to agree it has been a bit extravagant. We have taken steps to alert all the people involved in such assessments. Their standards must be more rigorously applied and indeed we would expect to see a more credible group of assessments of those people.

On the second point concerning the accountability of senior executives of the Public Service, as the hon. member knows, we are examining that area very carefully. Indeed, it will be a very fundamental part of the Royal Commission on Financial Management and Accountability which is undertaking that analysis now.

* * *

EXTERNAL AFFAIRS

UNITED NATIONS SUGAR CONFERENCE—REASON CANADA INSISTING SUGAR STOCKS BE PAID FOR BY PRODUCING NATIONS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Acting Prime Minister on a matter in which I am sure he is most interested. It concerns the ninth United Nations Sugar Conference rapidly coming to conclusion in Geneva. In view of reports that hopes for an agreement at this conference are fading, despite the fact the Secretary General of UNCTAD (Gamini Corea) sees an earlier agreement on sugar stabilization as a major test of the sincerity of the support expressed for a common fund by Canada and the other six industrialized nations at the recent London summit, will the minister indicate why Canada is insisting that all sugar stocks be paid for solely by producing nations—a position which runs contrary to what we agreed under the Tin Commodity Agreement?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I will have to check into that particular situation and provide the information later to the hon. member.

UNITED NATIONS SUGAR CONFERENCE—COMPOSITION OF CANADIAN DELEGATION

Mr. David MacDonald (Egmont): Mr. Speaker, while the minister is checking into that aspect of the negotiations, I wonder whether he would also provide to the House some indication as to the composition of the delegation. In view of the implications for the Canadian consumers, could he indicate whether there is a full representation, not only from the major sugar companies, but from consumer groups as well as direct agricultural interests which surely must be important to a balanced delegation on this subject?

Hon. Allan J. MacEachen (Acting Prime Minister): Yes, Mr. Speaker, I will also do that.

[Mr. Andras.]

[*Translation*]

AIRPORTS

PROPOSED CONSTRUCTION OF FACILITIES IN NORTHWEST NEW BRUNSWICK—GOVERNMENT POSITION

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, during the oral question period on the eve of the last sitting day before Christmas, I asked the Minister of Transport whether he had made up his mind about building an airport in St. Léonard, in northwest New Brunswick, and the minister replied that I had done enough already and that no further action on my part was needed. In spite of that, I have been fairly active, Mr. Speaker, and I now want to ask the Minister of Transport whether the cabinet has made its final decision in connection with the construction of airport facilities in the Atlantic provinces, including St. Léonard, and what are the odds on the construction work starting before the first snow?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the matter is progressing favourably although the final and detailed decisions have not been taken into consideration completely. I expect, however, to have more news for the hon. member within the next three weeks.

* * *

GOVERNMENT ADMINISTRATION

GOVERNMENT SECRECY—FREEDOM OF PUBLIC SERVANTS TO MAKE COMMENTS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Acting Prime Minister which is related to the very searching and intelligent question asked by the learned and hon. member for Grenville-Carleton. It deals with some statements made by Mr. Gordon Robertson to a parliamentary committee dealing with secrecy in government. Some of us in that committee have laboured under the impression the government was secretive because they wanted to hide mistakes, bad judgment and improper instructions given by deputy ministers to their ministers. Mr. Gordon Robertson said, however, that the purpose of secrecy in government was to permit public servants to be open-handed and anonymous. He was supported in that by the hon. member for Eglinton. Has the government now rejected that position, and will public servants now be allowed to be more open and free in the comments they make?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, that has always been the position of the government.

AGRICULTURE

INQUIRY IF MINISTER CONSULTED ON FOOD POLICY AND POLICY ON MARKETING BOARDS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Agriculture. On May 2, 1977 at Montebello the Minister of Agriculture, in his speech to the National Dairy Council of Canada, said:

> . . . the Minister of Agriculture . . . in some ways is the last one to be consulted on food policy . .

I would like to ask the minister whether he has any input at all into the food policy that has been drafted by the Minister of Consumer and Corporate Affairs, and if he does not, what is he going to do about it?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, you heard what the hon. member said. He said, "in some ways". Those ways are so insignificant that perhaps I should not have mentioned them.

Mr. Nystrom: Mr. Speaker, I wonder if the minister can explain his remarks further on in his speech when he goes on to say that when the Department of Consumer and Corporate Affairs drafted a policy on marketing boards, and I quote, "we simply weren't consulted although . . ." I wonder if the minister could explain that statement and explain what he is doing to make sure he will be consulted on a food policy. If he is not, does he mean what he says, that he will resign?

Mr. Whelan: Mr. Speaker, we certainly do have full consultation on food strategy such as we are talking about. There may be the odd thing which comes out on which we are not fully consulted. I do not hesitate to make a comment on it. I do appreciate the hon. member's reference to my talk to that distinguished group of people, the dairy processors from all across Canada, who commended the government and the Minister of Agriculture for what they are doing for the dairy industry.

* * *

● (1150)

ENERGY

USE OF SOLAR ENERGY IN DESIGNING PUBLIC BUILDINGS—GOVERNMENT POSITION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. A draft financial report of the Department of Supply and Services indicates that on present trends only 5,000 solar houses will be built in the next decade, which is far below the estimated potential of 750,000 during the same period, because there has been no clear, unequivocal commitment by the government to encourage solar installations through low interest mortgages, loans and grants. In view of the Carter administration's widespread implementation of solar energy in its public buildings program, has the government made any plans for a single public office building in the future using solar energy?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I mentioned, in answer to a question earlier this week, that there were two specific projects underway with respect to retrofit in the Ottawa area. I am not at liberty at the moment to indicate which they are, but I hope to be able to make an announcement shortly. They would not be set up with the idea of providing full solar energy for heating, but a substantial portion of the heat would be provided from this source.

* * *

LAW REFORM COMMISSION

APPOINTMENT OF MEMBERS WITH COMMON LAW LEGAL TRAINING BACKGROUND

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of Justice and it concerns the make-up of the Law Reform Commission. When does the minister anticipate that members with a common law legal training background will be appointed to the commission which now consists entirely of those with a civil law background in legal training?

Hon. Ron Basford (Minister of Justice): I hope very shortly, Mr. Speaker.

* * *

DROUGHT

ALLEGED APPOINTMENT OF MINISTER WITHOUT PORTFOLIO TO STUDY LONG-TERM EFFECTS

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is for the Minister without Portfolio. I wonder if the minister would confirm to the House that he has been commissioned by the Prime Minister to study the long-term effects of the drought and to correlate that with the findings of the Berger commission. Perhaps I can ask a supplementary question, Mr. Speaker. If it is true that the Minister without Portfolio is no longer allowed to talk about these things in public, I will direct my question to the Minister of Indian Affairs and Northern Development.

An hon. Member: Resign.

Hon. Jack H. Horner (Minister without Portfolio): I thank the hon. member for his question.

Some hon. Members: Hear, hear!

Mr. Horner: I want to assure him and the House through you, Mr. Speaker, that no constraints are placed upon me—

An hon. Member: Obviously.

Mr. Horner: —and I will always make utterances when I think I can help Canada.

Some hon. Members: Hear, hear!

* * *

CANADIAN BROADCASTING CORPORATION

DISCONTINUATION OF SERVICE TO CHURCHILL BY RADIO STATION CHFC—CORPORATION POLICY

Mr. Cecil Smith (Churchill): Mr. Speaker, my question is for the Secretary of State responsible for the Canadian Broadcasting Corporation. Last night in Churchill, Manitoba, CBC officials held a town meeting with the residents of Churchill and informed them that the radio station CHFC, after 25 years of service, would be discontinued. I wish to ask the minister if this is part of the CBC's accelerated coverage program—now that they have brought in French FM and French TV to northern Manitoba—to phase out an English radio station?

Hon. John Roberts (Secretary of State): Mr. Speaker, I shall undertake to bring the representation of the hon. member to the CBC and reply forthwith, giving him a full explanation of the factors which led the CBC to make the initial announcement to his constituents last night.

* * *

CUSTOMS

POSSIBILITY OF REFUSING ENTRY TO PORNOGRAPHIC FILMS

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of National Revenue. In view of the fact that the Supreme Court of Canada upheld a decision made by customs officials to refuse entry into Canada of printed pornographic material, can the minister say whether or not there are regulations under which pornographic films can be denied entry to Canada by customs officials similar to those applied to pornographic printed material?

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, when the officers of my department ban such a film, they are acting under a tariff item under the Tariff Act.

* * *

INDIAN AFFAIRS

POSSIBILITY OF ASKING SENATE TO INVESTIGATE SAFEGUARDS OF NATIVE INTERESTS IN JAMES BAY AGREEMENT

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Can he say whether there have been any discussions with the government leaders in the Senate to ask them to take a sober second look at the ratification of the James Bay Agreement in light of the recent developments in Quebec and in light of the recent statements by Chief Delisle who is now concerned about the safeguards that have been built into the agreement by the federal government protecting the interests of the native people signatory to the agreement?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, I did not ask the Senate to give any sober second look to Bill C-9. As a matter of fact, I asked the leader of the Senate to pass the bill quickly, and so have the Indians. I do not think the hon. member interprets Chief Delisle correctly. I saw Chief Delisle this morning and he never expressed those views to me.

CONFLICT BETWEEN QUEBEC LANGUAGE CHARTER AND JAMES BAY AGREEMENT—TEST OF CONSTITUTIONALITY OF QUEBEC BILL

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, Chief Delisle made of course a number of public statements. He is concerned about the recent legislative proposals in the province of Quebec and he is concerned at the prospect—

Mr. Speaker: Order, please. Does the hon. member have a supplementary question?

Mr. Oberle: Can the minister tell the House whether he will cause an investigation to be carried out of the validity and the legality of the agreement and of the bill which will offend the agreement, a bill which is proposed in the Quebec legislature at this time?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): The hon. member is correct. Chief Delisle is concerned about Bill I and its effects with respect to the Indian people in Quebec. As I said in answer to an earlier question, I have requested a legal opinion on that bill and its relationship to the James Bay settlement. As soon as I get the legal opinion, I will make it known to the House.

* * *

[*Translation*]

AIRPORTS

REQUEST FOR IMPROVEMENT OF FACILITIES AT ÎLES-DE-LA-MADELEINE AND GASPÉ—GOVERNMENT POSITION

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my question is for the Minister of Transport.

Following the recent meeting of Department of Transport officials with public representatives for the Îles-de-la-Madeleine and Gaspé areas, to iron out the last minute details concerning the necessary and urgent improvements—considered as a priority by the minister himself—to the Îles-de-la-Madeleine and Gaspé airports, could the minister advise the House whether he will soon make an announcement concerning the calls for tenders for the work which has been delayed too long already and which should start before the first snow, to use the expression conned by my colleague the hon. member for Madawaska-Victoria a while ago?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am very conscious of the concern of the hon. member from the Gaspé area about this matter. I understand I am to receive a report as a result of those meetings as early as next week, and following that I should be able to take the necessary action to secure the improvements which have been sought for so long.

* * *

[*Translation*]

ENERGY

GASOLINE AND FUEL OIL—POSSIBILITY OF EXEMPTING NORTHWEST QUEBEC FROM PRICE INCREASES

Mr. Armand Caouette (Villeneuve): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Bearing in mind the recent statements of the minister to the effect that the price of gas and heating oil will be going up by 14 cents over the next two years, and the fact that people in northwest Quebec are now paying 10 cents a gallon more than in the rest of the province of Quebec, can the minister tell the House whether he is willing to consider the possibility of exempting areas such as northwest Quebec from the coming price increases to have parity between that part of the province and the rest of it?

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, it is not a question of exempting any one part of the country or any one part of a province. There is a differential in retail prices for gasoline in the province of Quebec. There are differentials in virtually all provinces, I suppose. These differentials are partly caused by additional transportation costs, but the largest part of the differential is caused by market forces, and if there is concern on the part of the hon. member about marketing arrangements within his province, then I think he should speak to the provincial authorities about that.

● (1200)

[*Translation*]

REASON PRICE OF GASOLINE IS HIGHER IN ROUYN THAN KIRKLAND LAKE

Mr. Armand Caouette (Villeneuve): Mr. Speaker, can the minister tell us why we, in Rouyn, are paying 15 cents or even 20 cents more a gallon than in Kirkland Lake, some 15 miles away, when he claims that the higher prices in northwest Quebec depend on transportation costs?

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. member had listened to all of my answer, he would know that I placed the major emphasis on market forces and competition.

CANADA PENSION PLAN

ALLEGED USE OF TWO DIFFERENT INDICES AS BASIS FOR PENSION INCREASES—GOVERNMENT POSITION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is to the Minister of National Health and Welfare. In the envelopes in which the recent Canada Pension Plan cheques were mailed there were enclosures, one of which stated that the cost of living during the year had risen by 8.2 per cent, and that that was the reason for the enclosed cheque. The other one stated that the consumer price index over the past 12 months has increased 8.6 per cent. I am tempted to ask from which branch within Statistics Canada the minister gets his information, but I will ask why he uses two different indices to pro rate the increase on the pension cheques and why there is therefore a different amount which the pensioners get under that system.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, if the hon. member gave himself the trouble of checking the text of the act passed by Parliament some three or four years ago to index pensions under the Canada Pension Plan, he would see that the period for indexing purposes does not correspond to the calendar year but, if I remember well, runs from October to October. That is why the results for the 12-month period do not correspond to those of the calendar year.

[*English*]

Mr. Friesen: Mr. Speaker, the minister did not answer my question. Why does he use the CPI on one and the cost of living on the other?

[*Translation*]

Mr. Lalonde: Mr. Speaker, I fail to see the difference the hon. member makes. There is only one index used to calculate the rate of adjustment of the Canada Pension Plan and that is the consumer price index.

Mr. Speaker: Order. The hon. member for Bonaventure-Îles-de-la-Madeleine on a question of privilege.

* * *

QUESTION OF PRIVILEGE

FAILURE OF DEPARTMENT OF TRANSPORT TO SHOW ÎLES-DE-LA-MADELEINE ON MAPS

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I rise on a question of privilege on a matter which affects my rights as member for Bonaventure-Îles-de-la-Madeleine, those of the people of the Magdalen Islands and all the sovereignty of the Canadian territories. On May 11, 1977, in answer to a question on the order paper in the name of the hon. member for Esquimalt-Saanich (Mr. Munro), as reported in *Hansard*, on page 5518, the Minister of Transport (Mr. Lang) tabled for publication in appendix two geographical

maps of Canada which appear on pages 5519 and 5520 of the official report of this day.

Mr. Speaker, these maps, which are supposed to illustrate the Canadian coast guard regions and districts and the Canadian air transportation administration regions are incomplete and inaccurate. As a matter of fact, there is an important part of my constituency, the Magdalen Islands, missing on both maps, which gives the impression that this important part of the Gulf of St. Lawrence is not or is no longer part of Canada. In view of this gap, Mr. Speaker, I cannot help thinking that it is not surprising that the approval of the Magdalen Islands airport facilities should take so long. The Magdalen Islands are not even shown on the maps of the Department of Transport.

Therefore, Mr. Speaker, I ask the government to abandon this practice of publishing incomplete maps which do not reflect the Canadian reality and furthermore, which could give a false image of our country and inconvenience its people.

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I thank the hon. member for bringing this matter to my attention, and I will look into it.

Mr. Muir: Mr. Speaker, I would like to rise on a point of order. I have served in this chamber under Mr. Speaker Michener, Mr. Speaker Lambert, Mr. Speaker Macnaughton, Mr. Speaker Lamoureux, and Your Honour. It seems that I have great difficulty being seen by Your Honour. I do not know whether I have grown smaller, or what it is.

Mr. Speaker: Order, please. Before the hon. member proceeds, he should be aware that I extended the question period five minutes today to try, if possible, to recognize all hon. members who were seeking to be recognized. The last three members of the official opposition I wanted to recognize, if possible, were the hon. member, the hon. member for Surrey-White Rock, and the hon. member for Wellington-Grey-Dufferin-Waterloo. The hon. member for Wellington-Grey-Dufferin-Waterloo was recognized yesterday. The hon. member for Cape Breton-The Sydneys was recognized the day before, and the hon. member for Surrey-White Rock had not been recognized for several days. Therefore, between the three of them I gave those last three minutes to the hon. member for Surrey-White Rock.

Had there been another couple of minutes—I extended the question period five minutes, in any event—I would have recognized the hon. member, and had there been even more time I would have tried to recognize everybody today by recognizing also the hon. member for Wellington-Grey-Dufferin-Waterloo. Once the hon. member for Surrey-White Rock took the clock to five minutes past twelve, I thought there was very little more I could do.

Mr. Muir: If Your Honour had been good enough to hear me out before making a decision, Your Honour would have heard what I was going to say. It is quite true that I was recognized the other day. I tried to ask a supplementary question, but I was refused. Several others following me asked not one supplementary but perhaps two. If Your Honour will check the record, Your Honour will find that at no time in this House have I ever abused the rules, nor have I been reprimanded by a Speaker of this House. All I want is my fair share, and for Your Honour's information, I do not feel I am getting my fair share. We all got here the same way. I was sent by my people. There are matters I have to raise, and I hope in future that Your Honour will give me more recognition.

I do not want any more privileges than anyone else, just equal rights. I had to raise this question previously, and if Your Honour would check *Hansard*, Your Honour would learn how many times I have been recognized since the session started and, indeed, prior to that. I hope Your Honour will give some consideration to this matter.

Mr. Speaker: The hon. member will also realize that on a regional basis today the hon. member for Halifax-East Hants and the hon. member for South Shore, both from the eastern region, were recognized. I have always tried to balance off in any one question period the various regions of the country. Considering the number of hon. members from that region who are in the House today, and the number of hon. members from all regions who are in the House today, that seemed to be a fair balance under the circumstances. If the hon. member could advise me which one of his colleagues ought to have been excluded so that I could have recognized him in addition to other hon. members from his region, I would be very pleased to have that advice.

Mr. Muir: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Order, please.

Mr. Muir: I am not in the chair. It is your job to decide, not mine.

Mr. Speaker: Order, please.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

LABOUR, MANPOWER AND IMMIGRATION

Second report of Standing Committee on Labour, Manpower and Immigration—Miss Nicholson.

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

FINANCE, TRADE AND ECONOMIC AFFAIRS

Seventh report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Cafik.

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

* * *

● (1210)

DOMINION-PROVINCIAL RELATIONS

TABLING OF CORRESPONDENCE CONCERNING BILL C-33

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I wish to table, under Standing Order 41(2), copies of correspondence with the Atlantic premiers concerning a proposed amendment to Bill C-33 to be put forward in committee.

* * *

ANTI-INFLATION BOARD

TABLING OF REFERENCES TO ADMINISTRATOR

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I should like to table copies of five references from the Anti-Inflation Board to the administrator, pursuant to section 17(2) of the Anti-Inflation Act.

* * *

ENERGY

NORTHERN PIPELINE—MOTION FOR DEBATE

On the order: Government Notices of Motion.

May 11, 1977—The President of the Privy Council:

That this House recognizes the social, economic, environmental and energy issues surrounding the question of northern gas pipelines and, believing that the resolution of these issues must reflect the national interest, approves the position of the government that all relevant reports must be considered before deciding on a pipeline and its route.

Mr. Speaker: Pursuant to section (2) of Standing Order 21, this Notice of Motion is transferred to and ordered for consideration under Government orders later this day or at the next sitting of the House.

* * *

PETITIONS

PRESENTATION OF PETITION TO INCREASE OLD AGE PENSION, ETC.

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the ninth report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Winnipeg North Centre (Mr. Knowles), and finds that it meets the requirements of the Standing Orders as to form.

Order Paper Questions

TRANSPORTATION

STANDING COMMITTEE TRAVELLING TO EAST COAST

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to seek the unanimous consent of the House, which I believe is forthcoming, to move a reference to the Standing Committee on Transport and Communications. My motion is as follows:

That the Standing Committee on Transport and Communications be authorized to travel to St. John's, Newfoundland, Saint John, New Brunswick, and Halifax between May 29 and June 4, 1977, for the purpose of examining transportation facilities and studying transportation problems in the Atlantic provinces, and that the necessary supporting staff do accompany the committee.

Mr. Hnatyshyn: Mr. Speaker, we are quite prepared to consent to this motion. We are in agreement with it.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Caouette: Agreed.

Mr. Speaker: Hon. members have heard the terms of the motion proposed by the President of the Privy Council. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

JUSTICE AND LEGAL AFFAIRS

CONCURRENCE IN FOURTH REPORT

Mr. Mark MacGuigan (Windsor-Walkerville) moved:

That the Fourth Report of the Standing Committee on Justice and Legal Affairs, presented on May 11, 1977 be concurred in.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 216 to 281 inclusive, and 590.

[*Text*]

SENIOR POSITIONS IN THE PUBLIC SERVICE

Question No. 216—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the Chief Statistician 2(CST) level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Order Paper Questions

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] MACST 2 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1. (a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
MACST	2	DSS	2	1
		STC	4	2

Statement 1

[1] Classified positions in some cases may not be consistent with the man years allocated to departments.

[2] Source: Official Language Information Sub-System Treasury Board Secretariat.

[3] Source: Master Output Support File, Supply and Services Canada.

[4] Source: Senior Executive Information Sub-System, Treasury Board Secretariat.

[5] AV is presumed to be AU, Auditing.

[6] VT is presumed to be UT, University Teaching.

[7] Source: Justice Department.

[8] Data are as of April 30, 1975.

NOTE: In certain cases, the number of incumbents may be greater than the number of classified positions because of the following situations: acting pay, overlapping salary levels within groups, unclassified positions.

Statement 2

Alphabetical List of Departmental Abbreviations: AGR, Agriculture, Department of; ARC, Public Archives; AUD, Auditor General; CAE, National Revenue, Customs and Excise, Department of; CCA, Consumer and Corporate Affairs, Department of; CEO, Chief Electoral Officer, Office of the; CLR, Canada Labour Relations Board; COL, Commissioner of Official Languages, Office of the; COM, Communications, Department of; CPC, Canadian Pension Commission; CTC, Canadian Transport Commission; DND, National Defence, Department of; DOE, Environment, Department of; DPW, Public Works, Department of; DSS, Supply and Services, Department of; DVA, Veterans Affairs, Department of; EMR, Energy, Mines and Resources, Department of; NEB, National Energy Board; EXT, External Affairs, Department of; FIN, Finance, Department of; FIR, Foreign Investment Review Board; GGS, Governor General; IAB, Immigration Appeal Board; IAN, Indian and Northern Affairs, Department of; IDA, Canadian International Development Agency; IJC, International Joint Commission; INC, Information Canada; INS, Insurance, Department of; ITC, Industry, Trade and Commerce, Department of; JUS, Justice, Department of; LAB, Labour, Department of; MID, Manpower and Immigration, Department of; MOT, Transport, Ministry of; MST, Science and Technology, Ministry of State for; NCC, National Capital Commission; NHW, National Health and Welfare, Department of; NLI, National Library; NMC, National Museums of Canada; NPB, National Parole Board; PCO, Privy Council, Office of the; PEN, Canadian Penitentiary Service; POD, Post Office, Department of; PSC, Public Service Commission; RCM, Royal Canadian Mounted Police; REE, Regional Economic Expansion, Department of; REP, Representation Commissioner, Office of the; RTC, Canadian Radio-Television Commission; SEC, Secretary of State, Department of; SOL, Solicitor General, Department of; SRB, Public Service Staff Relations Board; STC, Statistics Canada; TAR, Tariff Board; TAX, National Revenue, Taxation, Department of; TBD, Treasury Board Secretariat; UAH, Urban Affairs, Ministry of State for; UIC, Unemployment Insurance Commission, Administration.

Question No. 217—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the Statistician 5(STA) level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] MASTA 5 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
MASTA	5	DSS	6	
		NEB	3	
		MOT	1	
		POD	4	
		STC	37	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 218—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the AO-EPS-3 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] AOEPS 3 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group, AOEPS; Level, 3; Department, MOT; Number of classified positions[1,2], 1; Number of incumbents whose annual salary is greater than $27,500[3], 1.

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 219—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the LA-2 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified LA 2 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1 (a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
LA	2	CLR	1	
		CTC	9	
		DVA	22	1
		NEB	2	
		EXT	3	
		IAN	2	1
		NHW	1	
		NPB	1	
		RTC	4	
		UAH	1	

Group	Level	Department	Number of classified positions[1,7,8]	Number of incumbents whose annual salary is greater than $27,500[7,8]
LA	2	JUS	389	160

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 220—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the LA-3 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified LA 3 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions[1,4]	Number of incumbents whose annual salary is greater than $27,500[4]
LA	3	CTC	1	1
		NEB	1	1
		JUS	38	35
		RTC	1	1

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 221—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the PE-5 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] PE 5 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions[1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
PE	5	AGR	9	
		CCA	3	
		COM	2	
		CTC	1	
		DND	8	
		DOE	10	
		DPW	7	
		DSS	12	
		DVA	6	
		EMR	4	
		NEB	1	
		EXT	6	
		IAN	7	
		INC	2	
		ITC	5	
		JUS	1	
		LAB	2	
		MID	7	
		MOT	19	
		NCC	1	
		NHW	5	
		PCO	1	
		PEN	6	
		POD	13	
		PSC	77	
		RCM	1	
		REE	3	
		STC	7	
		TAX	10	
		TBD	30	
		UAH	1	
		UIC	10	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Order Paper Questions

Question No. 222—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the PE-6 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] PE 6 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
PE	6	AGR	2	
		ARC	1	
		CAE	4	
		CCA	1	
		COM	1	
		CTC	1	1
		DND	9	
		DOE	5	
		DPW	5	
		DSS	16	3
		DVA	6	
		EMR	1	
		IAN	7	
		IDA	1	
		INC	1	
		ITC	1	
		MID	5	
		MOT	10	
		NCC	1	
		NHW	3	
		PCO	1	
		PEN	2	
		POD	7	1
		PSC	43	
		REE	1	
		SEC	2	
		SOL	2	
		STC	1	
		TAX	1	1
		TBD	41	6
		UIC	2	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 223—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the PE-7 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] PE 7 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

[Mr. Andras.]

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions[1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
PE	7	AGR	2	2
		DND	2	1
		DOE	1	2
		DPW		2
		DSS	3	1
		FIN		1
		IDA	1	2
		INC	1	1
		JUS	1	1
		LAB	1	1
		MOT	3	3
		NHW	1	2
		NMC	1	
		NPB		1
		PEN	1	
		POD	2	3
		PSC	17	13
		RTC	1	1
		SEC	1	2
		STC	1	
		TAX	4	3
		TBD	15	9
		UAH		1

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 224—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the Senior Statistician (SRS) level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] MARS 1 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group MA SRS, Level 1, Department DSS, Number of Classified Position[1,2] 1, Number of incumbents whose annual salary is greater than $27,500[3] 1.

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 225—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the Chief Statistician 1 (CST) level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] MACST 1 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions[1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
MACST	1	DSS	3	
		NEB	1	1
		STC	16	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 226—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the PG-6 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] PG 6 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions[1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
PG	6	AGR	1	
		DND	6	2
		DOE	1	
		DSS	109	47
		IAN	1	
		PEN	1	1
		POD	1	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 227—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the VT-3 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] UT 3 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group, UT(6); Level, 3; Department; Number of Classified Positions[1,2], Nil; Number of Incumbents Whose Annual Salary is Greater than $27,500[3], Nil.

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 228—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the VT-4 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] UT 4[6] positions by department as of December 31, 1975 follows. No reliable data is available for April 30, 1975. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group, UT; Level, 4; Department, DND; Number of Classified Positions[1,2], 52; Number of Incumbents Whose Annual Salary is Greater than $27,500[3], 47.

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 229—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the VT-5 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] UT 5 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group, UT[6]; Level, 5; Department, DND; Number of Classified Positions[1,2]; Number of Incumbents Whose Annual Salary is Greater than $27,500[3], 1.

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Order Paper Questions

Question No. 230—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the VT-6 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] UT 6 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group, UT[6]; Level, 6; Department, DND; Number of Classified Positions[1,2]; Number of Incumbents Whose Annual Salary is Greater than $27,500[3], 1.

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 231—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the VT-7 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] UT 7 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group, UT[6]; Level, 7; Department, DND; Number of Classified Positions[1,2]; Number of Incumbents Whose Annual Salary is Greater than $27,500[3], 1.

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 232—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the VS-5 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] VS 5 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

[Mr. Andras.]

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
VS	5	AGR	15	10
		NHW	9	5

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 233—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the VS-6 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] VS 6 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
VS	6	AGR	2	2
		NHW	1	1

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 234—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the CH-5 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] CH 5 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
CH	5	CAE	1	
		DOE	3	
		EMR	2	
		NHW	2	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 235—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the CH-6 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] CH 6 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group, CH; Level, 6; Department, NHW; Number of Classified Positions[1,2], 1; Number of Incumbents Whose Annual salary is Greater Than $27,500[3], 1.

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 236—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the AR-5 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] AR 5 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
AR	5	DND	3	
		DOE	1	
		DPW	39	
		IAN	15	
		IDA	1	
		MOT	14	
		NCC	4	
		PEN	2	
		REE	1	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 237—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the AR-6 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] AR 6 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
AR	6	DND	1	1
		DPW	21	12
		DVA	1	
		IAN	6	2
		MOT	3	4
		NCC	8	3
		NHW	2	1

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 238—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the AR-7 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] AR 7 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
AR	7	DND	3	1
		DPW	12	1
		DVA	1	
		IAN	5	1
		MOT	2	2
		NCC	1	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 239—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the AR-8 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Order Paper Questions

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] AR 8 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 is attached. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
AR	8	DND	1	1
		DPW	1	1
		NCC		2
		NHW	1	
		UAH	3	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 240—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the AV-5 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] AU 5[5] positions by department as of December 31, 1975 follows. No reliable data is available for April 30, 1975. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
AU	5	CAE	15	15
		DSS	10	8
		NEB	2	1
		TAX	86	71

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 241—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the AV-6 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] AU 6[5] positions by department as of December 31, 1975 follows. No reliable data is available for April 30, 1975. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
AU	6	CAE	1	
		DSS	11	6
		TAX	26	18

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 242—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the AV-7 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] AU 7[5] positions by department as of December 31, 1975 follows. No reliable data is available for April 30, 1975. (b) No reliable data is available for April 30, 1970.

2. (a) The number incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group, AU; Level, 7; Department, TAX; Number of classified positions [1,2], 8; Number of incumbents whose annual salary is greater than $27,500[3], 7.

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 243—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the HR-5 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] HR 5 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group, HR; Level, 5; Department, ARC; Number of classified positions [1,2], 1; Number of incumbents whose annual salary is greater than $27,500[3].

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 244—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the LS-6 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] LS 6 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
LS	6	AGR	1	
		DOE	1	
		NLI	5	1

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 245—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the PS-5 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified [1] PS 5 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
PS	5	PEN	1	
		PSC	1	1

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 246—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the AC-2 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] AC 2 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group, AC; Level, 2; Department, INS; Number of classified positions[1,2], 3; Number of incumbents whose annual salary is greater than $27,500[3].

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 247—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the AC-3 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] AC 3 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
AC	3	INS	5	5
		UIC		2

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 248—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the ES-5 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] ES 5 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
ES	5	AGR	8	5
		CCA	4	3
		COM	2	2
		CTC	3	2
		DOE	4	4
		EMR	4	2
		FIN	4	2
		FIR	1	
		ITC	3	3
		MID	4	2
		MOT	1	2
		MST	2	2
		NHW	2	2
		REE	6	4
		SOL	1	
		STC	32	30
		TAX	1	1
		TBD		2
		UIC	1	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 249—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the TR-4 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] TR 4 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group, TR; Level, 4; Department, SEC; Number of classified positions[1,2], 70; Number of incumbents whose annual salary is greater than $27,500[3].

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 250—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the TR-5 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] TR 5 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

[Mr. Andras.]

Group, TR; Level, 5; Department, SEC; Number of Classified Positions[1,2], 12; Number of Incumbents Whose Annual Salary is Greater than $27,500[3], 5.

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 251—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the TR-6 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] TR 6 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
TR	6	DOE	1	
		SEC	4	1

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 252—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the CS-5 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] CS 5 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
CS	5	AGR	2	2
		CAE	2	1
		COM	2	
		DND	3	
		DOE	1	1
		DPW	2	1
		DSS	16	9
		EMR	3	1
		IAN	1	1

Group	Level	Department	Number of classified positions (1,2)	Number of incumbents whose annual salary is greater than $27,500(3)
CS	5	ITC	1	1
		LAB	1	1
		MID	1	1
		MOT	2	2
		NHW	2	
		PSC	1	1
		REE	1	1
		STC	4	2
		TAX	6	3
		TBD	1	1
		UIC	1	1

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 253—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the AS-7 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified(1) AS 7 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions(1,2)	Number of incumbents whose annual salary is greater than $27,500(3)
AS	7	AGR	3	
		ARC	2	
		CAE	7	
		CCA	1	
		CLR	1	
		COM	7	1
		CTC	2	1
		DND	13	9
		DOE	18	6
		DPW	41	10
		DSS	22	3
		DVA	3	1
		EMR	4	
		NEB	1	
		EXT	2	2
		FIN	2	
		FIR	1	
		GGS		1
		IAB	1	
		IAN	8	4
		INS	1	
		ITC	1	1
		JUS	2	
		MID	15	8
		MOT	28	7
		MST	34	6
		NHW	8	1
		NMC	1	
		PCO	3	1
		PEN	1	
		POD	18	6
		PSC	6	
		REE	4	
		RTC	1	
		SEC	7	1
		SOL	2	
		TAX	7	1
		TBD	65	7
		UIC	9	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 254—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the AS-8 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified(1) AS 8 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions(1,2)	Number of incumbents whose annual salary is greater than $27,500(3)
AS	8	AGR	2	2
		ARC	1	1
		AUD	1	1
		CAE	1	
		COL		1
		COM	2	2
		CTC	1	1
		DND	13	8
		DOE	8	5
		DPW	35	28
		DSS	24	8
		EMR	1	1
		NEB	1	1
		EXT	4	5
		FIN	1	1
		GGS	1	1
		IAN	2	2
		INC	2	1
		ITC	2	1
		JUS	2	1
		LAB	2	1
		MID	5	4
		MOT	10	6
		MST	1	1
		NCC	1	1
		NHW	2	1
		NMC	1	1
		PEN	13	5
		POD	1	6
		PSC	5	4
		REE		1
		RTC	3	2
		SEC		1
		SOL	2	1
		STC	1	
		TAX	2	
		TBD	48	22
		UAH	1	1
		UIC	1	1

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Order Paper Questions

Question No. 255—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the CO-2 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] CO 2 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
CO	2	AGR	12	
		CCA	80	
		DND	1	
		DSS	3	
		FIR	22	
		IAN	61	
		INS	42	
		ITC	535	
		REE	114	
		RTC	16	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 256—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the CO-3 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] CO 3 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
CO	3	AGR	6	
		CCA	7	1
		COM	7	
		DND	1	
		DSS	2	
		FIR	25	
		IAN	22	
		INS	12	
		ITC	207	
		PSC	1	
		REE	130	
		RTC	6	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 257—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the CO-4 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] CO 4 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
CO	4	CCA	17	10
		COM	2	2
		DND	1	1
		DOE		1
		DPW		1
		DSS	1	1
		FIR	9	
		IAN	3	2
		INS	3	3
		ITC	136	104
		REE	57	46
		RTC	3	1

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 258—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the SI-7 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] SI 7 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1 (a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
SI	7	ARC	1	
		COM	2	
		FIR	1	
		IAN	1	
		MOT	1	
		NHW	1	
		RTC	2	
		STC	10	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 259—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the WP-6 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] WP 6 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
WP	6	DVA	5	
		IAN	7	
		NHW	1	
		NPB	5	
		PEN	3	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 260—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the WP-7 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] WP 7 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
WP	7	DVA	1	1
		IAN	11	7
		NHW	1	3
		NPB	6	1
		PEN	6	2
		SOL	1	1

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 261—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the FI-6 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] FI 6 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
FI	6	AGR	1	
		CAE	1	
		CCA	1	
		CPC		1
		CTC	2	1
		DND	10	2
		DOE	3	1
		DPW	3	2
		DSS	33	15
		DVA	3	2
		EMR		1
		EXT	1	1
		IAN	1	1
		IDA		1
		INC	1	
		ITC	3	1
		MID	1	
		MOT	15	9
		NCC		1
		NHW		3
		NMC	1	
		POD	5	3
		REE	2	
		RTC	1	1
		SEC	2	
		SOL	1	
		STC	1	
		TBD	19	3
		UIC	2	1

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Order Paper Questions

Question No. 262—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the FI-7 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] FI 7 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
FI	7	AGR	1	1
		CAE	1	
		CCA		1
		COM	1	1
		CTC		2
		DND	3	2
		DOE	2	1
		DPW	1	1
		DSS	8	7
		EMR	1	1
		FIN	1	1
		IAN	3	5
		IDA	1	1
		ITC	2	4
		MID	1	
		MOT	5	3
		NHW		4
		POD	3	2
		RCM	1	1
		SEC	1	
		TAX	1	1
		TBD	25	15
		UIC		1

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 263—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the FS-2 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) No position information is available for the FS Group. (b) No reliable data is available for April 30, 1970.

2. (a) The number of FS 2 employees whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

[Mr. Andras.]

Group, FS; Level, 2; Department, EXT; Number of classified positions[1,2], Nil; Number of Incumbents whose annual salary is greater than $27,500[3], 1.

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 264—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the FS-3 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) No position information is available for the FS Group. (b) No reliable data is available for April 30, 1970.

2. (a) The number of FS 3 employees whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970. The FS Group position information was not recorded on the Official Languages Information Sub-system on April 30, 1975.

Group	Level	Department	Number of classified positions[1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
FS	3	EXT		104
		ITC		39
		MID		4

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 265—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the FS-4 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) No position information is available for the FS Group. (b) No reliable data is available for April 30, 1970.

2. (a) The number of FS 4 employees whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970. The FS Group position information was not recorded on the Official Languages Information Sub-system on April 30, 1975.

Group	Level	Department	Number of classified positions[1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
FS	4	EXT		43
		ITC		16

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 266—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the FS-5 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) No position information is available for the FS Group. (b) No reliable date is available for April 30, 1970.

2. (a) The number of FS 5 employees whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970. The FS Group position information was not recorded on the Official Languages Information Sub-system on April 30, 1975.

Group, FS; Level, 5; Department, EXT; Number of classified positions[1,2], Number of Incumbents whose annual salary is Greater than $27,500[3], 43.

NOTE: See also Statements, 1 and 2 attached to Question No. 216 answered this day.

Question No. 267—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the FS-6 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) No position information is available for the FS Group. (b) No reliable data is available for April 30, 1970.

2. (a) The number of FS 6 employees whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group, FS; Level, 6; Number of classified positions[1,2], Nil; Number of incumbents whose annual salary is greater than $27,500[3], 2.

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 268—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the IS-6 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] IS 6 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
IS	6	AGR	1	
		CAE	1	
		CCA	1	
		COM	1	
		DOE	1	
		EMR	2	
		EXT	1	
		IAN	2	
		IDA	1	
		INC	8	
		ITC	1	
		JUS	1	
		LAB	1	
		MID	4	
		MOT	2	
		MST	1	
		NHW	3	
		NMC	2	
		PEN	1	
		POD	1	
		PSC	1	
		REE	2	
		SOL	1	
		STC	2	
		TAX	1	
		TBD	1	
		UAH	2	
		UIC	1	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 269—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the IS-7 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] IS 7 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
IS	7	AGR		2
		CCA	1	2
		DOE	1	1
		DSS	1	
		EXT		2
		FIN	1	1
		IAN	1	3
		IDA	1	2
		INC		3
		ITC	1	2
		LAB	1	
		MID		2
		MOT		2
		NHW		1

Group	Level	Department	Number of classified positions (1,2)	Number of incumbents whose annual salary is greater than $27,500(3)
		REE	1	1
		SEC	1	1
		SOL	1	
		STC	1	
		TAX		1
		TBD	1	
		UAH		1

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 270—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the GT-7 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified(1) GT 7 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions (1,2)	Number of incumbents whose annual salary is greater than $27,500(3)
GT	7	DND	1	
		DPW	2	
		DSS	1	
		EMR	1	
		EXT	1	
		IAN	8	
		INC	8	
		MID	1	
		MOT	8	
		NHW	1	
		NMC	12	
		SEC	1	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 271—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the GT-8 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

[Mr. Andras.]

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified(1) GT 8 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions (1,2)	Number of incumbents whose annual salary is greater than $27,500(3)
GT	8	DND	1	
		DOE	2	
		DSS	1	
		IAN	3	
		INC	2	
		NMC	8	
		UIC	1	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 272—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the TI-8 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified(1) TI 8 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions (1,2)	Number of incumbents whose annual salary is greater than $27,500(3)
TI	8	CTC	1	
		DND	3	
		MOT	10	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 273—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the AG-6 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified(1) AG 6 positions by Depart-

ment as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group, AG; Level, 6; Department, AGR; Number of Classified Positions[1,2], 8; Number of Incumbents Whose Annual Salary is Greater than $27,500[3], 6.

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 274—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the ES-2 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] ES 2 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1 (a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
ES	2	AGR	97	
		CAE	2	
		CCA	27	
		COM	31	
		CTC	48	
		DOE	107	
		DPW	11	
		DSS	10	
		EMR	90	
		NEB	27	
		EXT	3	
		FIN	141	
		FIR	8	
		IAN	38	
		INC	4	
		ITC	38	
		JUS	1	
		LAB	30	
		MID	76	
		MOT	46	
		NCC	3	
		NHW	88	
		NPB	1	
		PEN	2	
		POD	11	
		PSC	2	
		RCM	1	
		REE	35	
		RTC	5	
		SEC	14	
		SOL	8	
		STC	368	
		TAR	1	
		TAX	2	
		TBD	33	
		UAH	20	
		UIC	22	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 275—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the ES-3 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] ES 3 positions by Department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1 (a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
ES	3	AGR	60	16
		CAE	1	
		CCA	11	6
		COM	15	3
		CTC	20	4
		DND	1	1
		DOE	58	20
		DPW	4	
		DSS	4	1
		EMR	29	7
		NEB	15	1
		EXT	2	
		FIN	25	7
		FIR	6	
		IAN	17	5
		IDA		1
		ITC	20	9
		LAB	9	5
		MID	27	16
		MOT	28	6
		MST	3	
		NHW	67	20
		PCO	4	2
		POD	3	1
		REE	39	14
		RTC	2	2
		SEC	7	2
		SOL	4	
		STC	171	65
		TAR	5	3
		TAX	3	
		TBD	1	6
		UAH	15	7
		UIC	3	

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Order Paper Questions

Question No. 276—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the ES-4 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] ES 4 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
ES	4	AGR	22	14
		CCA	12	7
		COM	5	1
		CTC	8	9
		DOE	22	16
		DSS	1	
		EMR	21	14
		NEB	6	8
		FIN	48	35
		FIR	3	
		IAN	9	6
		IDA		2
		INC	1	1
		ITC	13	14
		LAB	5	4
		MID	18	14
		MOT	8	7
		MST	1	
		NHW	20	15
		PCO	5	5
		POD		1
		PSC		1
		REE	16	12
		SEC	4	2
		SOL	2	1
		STC	65	57
		TAR	3	2
		TBD	24	6
		UAH	21	9
		UIC	2	1

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 277—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the SX-1 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] SX 1 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

[Mr. Andras.]

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,4]	Number of incumbents whose annual salary is greater than $27,500[4]
SX	01	AGR	9	9
		ARC	1	1
		AUD		1
		CAE	13	17
		CCA	20	16
		CEO	1	1
		COL	2	2
		COM	19	16
		CTC	12	8
		DND	34	15
		DOE	36	27
		DPW	22	21
		DSS	42	36
		DVA	8	7
		EMR	5	5
		NEB	4	4
		EXT	4	3
		FIN	3	4
		GGS	1	1
		IAN	33	35
		IDA	16	19
		INC	4	5
		ITC	46	39
		JUS	1	1
		LAB	5	8
		MID	32	25
		MOT	45	52
		MST	13	10
		NCC	5	7
		NHW	36	28
		NMC	2	
		NPB	1	1
		PCO	13	11
		PEN	6	5
		POD	24	20
		PSC	13	9
		REE	12	14
		RTC	3	3
		SEC	14	15
		SOL	5	4
		STC	9	12
		TAX	16	13
		TBD	45	39
		UAH	12	12
		UIC	19	17

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 278—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the SX-2 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] SX 2 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
SX	02	AGR	8	7
		ARC	1	1
		AUD	4	3
		CAE	8	7
		CCA	9	9
		CEO	1	1
		CLR		1
		COM	6	7
		CTC	4	3
		DND	11	4
		DOE	26	25
		DPW	16	15
		DSS	18	19
		DVA	3	4
		EMR	19	19
		NEB	3	4
		EXT	2	2
		FIN	19	16
		IAN	10	9
		IDA	5	2
		IJC	2	2
		INC	1	1
		INS	1	1
		ITC	31	25
		LAB	2	3
		MID	16	12
		MOT	17	9
		MST	5	5
		NHW	15	11
		NMC	2	3
		NPB	1	1
		PCO	8	8
		PEN	3	3
		POD	7	6
		PSC	5	4
SX	02	REE	21	19
		RTC	2	2
		SEC	5	5
		SOL	4	3
		STC	12	12
		TAR	1	1
		TAX	12	11
		TBD	36	24
		UAH	6	3
		UIC	4	5

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 279—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the SX-3 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] SX 3 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions [1,2]	Number of incumbents whose annual salary is greater than $27,500[3]
SX	03	AGR	3	2
		CAE	3	3
		CCA	3	2
		COL	1	1
		COM	4	5
		DND	5	5
		DOE	7	9
		DPW	5	6
		DSS	6	6
		DVA	2	2
		EMR	5	4
		EXT	1	1
		FIN	4	5
		IAN	5	4
		IDA	2	2
		INC	1	1
		INS	1	1
		ITC	7	8
		LAB	2	2
		MID	6	8
		MOT	7	7
		MST	2	3
		NHW	6	8
		PCO	4	2
		POD	3	4
		PSC	3	3
		REE	6	6
		SEC	3	3
		SOL	1	1
		STC	5	3
		TAX	3	3
		TBD	12	9
		UAH	2	3
		UIC	3	3

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 280—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the SX-4 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified[1] SX 4 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group	Level	Department	Number of classified positions (1,2)	Number of incumbents whose annual salary is greater than $27,500(3)
SX	04	AUD	1	1
		DOE	1	1
		EXT	1	
		FIN	3	3
		MOT	3	3
		PCO	2	2
		REE	1	1
		TBD	2	1

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 281—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the AI-7 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified(1) AI 7 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group, AI; Level, 7; Department, MOT; Number of classified positions(1,2), 65; Number of incumbents whose annual salary is greater than $27,500(3).

NOTE: See also Statements 1 and 2 attached to Question No. 216 answered this day.

Question No. 590—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the AC-4 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Robert K. Andras (President of the Treasury Board): 1. (a) The number of classified(1) AC 4 positions by department as of March 31, 1975 follows. (b) No reliable data is available for April 30, 1970.

2. (a) The number of incumbents occupying the positions in 1(a) whose annual salary was greater than $27,500 follows. (b) No reliable data is available for April 30, 1970.

Group, AC; Level, 4; Department, INS; Number of classified positions(1,2), 1; Number of incumbents whose annual salary is greater than $27,500(3), 1.

NOTE: See also statements 1 and 2 attached to question No. 216 answered this day.

[Mr. Andras.]

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—BERGER REPORT ON NORTHERN PIPELINE

Mr. Edward Broadbent (Oshawa-Whitby) moved:

That this House urges the government to accept the principal recommendation of the Berger report that no pipeline be built in the Mackenzie Valley for at least ten years.

Mr. Speaker: I would note that, by agreement, not later than 3.45 o'clock p.m., every question necessary to dispose of these proceedings shall be put forthwith pursuant to Standing Order 58(9)(a).

Mr. Edward Broadbent (Oshawa-Whitby): It is rare in politics that a nation is given the opportunity to make an historic decision that can be both practical and decent, that can be at once just and prudent. We in Canada are now on the threshold of such a decision. On Monday, when Mr. Justice Berger handed down his historic report, Canadians were given more than an unprecedented and comprehensive assessment of a proposal for a major project. We were given a unique opportunity to change the way in which we treat our last frontier. We were advised by Mr. Justice Berger that the native people of Canada at long last deserve more than verbal respect. We were told they deserve the chance to develop in the north a pattern of growth of their own making, to have a crucial say in the shaping of their own future.

We were also advised by Mr. Justice Berger that some values and some areas of unique wilderness in our magnificent country must be preserved for all time. All of us have heard these things before, but Mr. Justice Berger has asked us as a people to listen and to listen with care. And he asks us to remember the past before we jump mindlessly into the future. The Inuit, the Dene, the Métis and our grandchildren throughout Canada are watching us today in this important debate.

Powerful interests, however, are already at work to undermine Mr. Justice Berger's plea to the Canadian people. We are told that his sentiments are all very well, but if we do not get the gas now from the north, mothers and children in Toronto, Halifax, Vancouver, all the cities of the south, will freeze in the dark. We are told that putting off the pipeline decision delivers a generation of northern natives to the welfare lines and beer halls. This is the new propaganda which must be countered in Canada, and countered immediately.

The New Democratic Party has put forward this motion today because we believe it is essential that the Canadian people hear from the House of Commons clear support at this stage in the debate for the principles of decency and practicality that are embodied in Mr. Justice Berger's report. We hope to hear support from the government side, in particular from the Minister of Indian Affairs and Northern Development (Mr. Allmand) whose prime responsibility is our native peoples in the north. But we also want careful clarification of the position of the Minister of Energy, Mines and Resources (Mr. Gillespie), who said critically on Monday, "No one asked Mr. Berger to recommend against a pipeline". In addition to the government, we also hope to have confirmed the support of the Progressive Conservative party. We were pleased to hear their leader say the following before the television cameras on Monday afternoon:

I think it's very clear that the Gas Arctic proposal is not going to be a viable one. I think it would be very hard to contest Mr. Berger's evidence indicating that we should not proceed directly with the Mackenzie Valley pipeline. I think the 10 year delay appears, on the basis of evidence we now have, to be a sensible one.

I said at the outset that our decision about the Mackenzie Valley can be not only decent but practical. This must be emphasized. Those people who are now telling Canadians that we have to sacrifice decency because we need the energy are posing a false choice. We are not dealing here with a choice between respect for the people and environment of the north and an energy crisis. It just is not so. Approving Mr. Justice Berger's recommendation for a ten-year delay in building a Mackenzie Valley pipeline will do more than allow native land claims to be settled and implemented on a just basis. It will not affect the gas needs of Canadians, wherever they may live in the southern part of Canada. The truth is, we will not need frontier gas in Canada until the mid-1990s.

● (1220)

Mr. Woolliams: Who said that?

Mr. Broadbent: The self-interested predictions that we are in imminent danger of running out of gas are flatly wrong, and flatly contradicted by the evidence. They simply ignore the most recent assessments of our gas supply and deliverability.

Mr. Woolliams: Who made the assessments?

Mr. Broadbent: Canadians must note, Mr. Speaker, that these ominous predictions of gloom come primarily from the same sources, the oil and gas industry, which told us in 1970 we had enough gas in Canada to last us 392 years; therefore, they said at that time, we can expect and desire to export more gas. When lucrative exports were cut off one year later the industry argued, for some strange reason, that we would run out of gas by 1978 and that we therefore needed the Mackenzie Valley pipeline to bring down what they called huge amounts of natural gas from the Mackenzie delta.

An hon. Member: They are a bunch of liars.

Mr. Broadbent: Every year the decision to build a pipeline has been put off. Similarly, the date on which we are supposed to run out of natural gas has been pushed back by the industry. What is the truth? The truth is that last year, in one year alone, more natural gas was found in southern Alberta than is contained in all the natural gas proven reserves in the whole of the Mackenzie delta. That is the truth; that is the reality. We should heed it, and not the propaganda of the oil industry.

Mr. Woolliams: You can be certain they did not find gas in Saskatchewan.

Mr. Benjamin: Not at all. There were a couple of finds.

Mr. Broadbent: How many Canadians know this basic truth, Mr. Speaker? I repeat, at current rates of consumption, and on the basis of known supplies in the south, Canadians have enough natural gas to take us into the 1990s. Again I ask, how many Canadians know that there are now three proposals for renewed gas exports while at the same time Arctic Gas supporters are shouting that we are running short of gas supplies. Once again, the erroneous arguments of the oil and gas industry are merely self-serving. They are mere propaganda, designed to serve their own interests.

A serious conservation program, which should be considered apart from the real leeway in time that we have, could bring more energy at cheaper prices than would be available from projects which have been proposed in the frontier regions. For instance, a national home-insulation program would save more energy every year than we can produce from current Mackenzie Delta reserves, and it would cost less than one-third per energy unit. And, unlike natural gas, insulation never runs out. A decision now to build the Mackenzie Valley pipeline would be, in part, a decision to ignore serious conservation measures. The Minister of Energy, Mines and Resources (Mr. Gillespie) said three months ago:

The cost of gaining an extra barrel of oil by saving it is a fraction of the cost of finding and producing that same barrel. Conservation measures are the surest, quickest and most efficient way of making an ongoing investment that will reduce Canada's dependence on imported oil.

What are we, as a country, doing in terms of taking serious conservation steps? We have no national home-insulation program, which the New Democratic Party advocated as early as September last year. We have weak automobile mileage requirements. I say this as one who represents an automobile constituency, whose people would support and defend conservation measures for the automotive industry. We lack even mandatory labelling of appliance efficiency targets. We have no targets at all in this field. We are left merely with the true symbol of the Liberal party of Canada: public relations gestures, and nothing more.

Even if we were to use Delta gas now, the cost would be astronomical. As the minister himself said in an internal memorandum dated March 7 of this year, Delta gas would cost double what it is now and all other prices would be raised to match it. To bring in Delta gas now, he said, would be a decision which would arouse a good deal of resistance in the east. Some understatement! Some concern!

What the minister said does not even take into account what would happen to the price of gas after the inevitable cost

overruns of the pipeline are added to the final figures. Recent major projects in the north, such as the Trans-Alaska oil pipeline, or the James Bay project, have suffered from cost increases ranging between 100 per cent and 1,000 per cent over original predictions; yet Arctic Gas has estimated an overrun of only 25 per cent. A cost overrun likelihood has recently been documented by studies undertaken in both the United States and Canada. The evidence concerning overrun is overwhelming. The final result is that Canadians would end up holding the bag. The only way the Arctic Gas project could be built is with financial guarantees from the government of Canada. Arctic Gas has admitted this at hearings before our National Energy Board. The moral of the Arctic Gas proposal is clear: the Americans would get the gas and Canadians would get the cost. Some justice!

An additional economic argument must be considered by all Canadians. On top of paying for the completion of a pipeline Canadians do not need, the economy would suffer severe dislocation. In three years, if it is decided to proceed with the Arctic Gas proposal, a company would be created in Canada with more equity than the largest Canadian bank has.

An hon. Member: Right on.

Mr. Broadbent: That course would have profound consequences for the future of our country. Raising the $900 million Canadian equity would represent 25 per cent of all the new stocks issued in Canada for three years and bleed our ability to finance plant expansion, new businesses, housing and hospitals, to name only a few sectors which would suffer all over this country. Our exchange rate could be knocked out of whack and the economy would go through a slump in the north and elsewhere once the construction phase of the project had ended. These are serious economic arguments, negative economic arguments about which almost no one in the country is talking and which the NDP wants to emphasize. I say, let us not hear, to quote a gem of instant, propagandistic wisdom, that "we may have to sacrifice all that noble sentimentality of Berger's report because we need the gas." The truth is we do not need the gas until the mid 1990s. If we did get the gas from the Mackenzie Delta now, it would be too expensive. Building a pipeline to provide a conduit for United States' gas to United States' markets, according to the Arctic Gas proposals, would totally distort other Canadian investment priorities to meet other Canadian human and regional needs.

● (1230)

What about the economic impact of the Mackenzie Valley pipeline on the north itself? Mr. Justice Berger's report deals specifically with the myth, and it is a myth, that the pipeline is essential to the economic well-being of the northern part of our great country. His conclusions after two years of study and after more years of carefully sifting the economic evidence are as follows. I want to quote at length because the report of Mr. Justice Berger has been erroneously dismissed as consisting of moral platitudes. What does he say about the hard-headed economic evidence? He says the following:

> It is an illusion to believe that the pipeline will solve the economic problems of the north. Its whole purpose is to deliver northern gas to the homes and industries in the south. Indeed, rather than solving the north's economic problems, it may accentuate them . . . The fact is that large scale projects based on non-renewable resources have rarely provided permanent employment for any significant number of native people. There is abundant reason to doubt that a pipeline would provide meaningful and ongoing employment to many native people . . .
>
> Construction of the Mackenzie Valley pipeline could produce a serious distortion of the small business sector of the Northwest Territories. This would raise problems for the orderly development of regional economic and commercial activity in the long run.
>
> The point is simple enough: the extension of the industrial system creates unemployment as well as employment . . . We must cease to regard large-scale industrial development as a panacea for the economic ill of the north.

There are many economists who are experts in regional development throughout Canada and, indeed throughout the world who would agree overwhelmingly with Mr. Justice Berger's hard-headed economic conclusions about the north. Added to this, Mr. Justice Berger documents, and this is very serious, the social costs that would occur as the result of hastily going ahead with the pipeline at this time. What does he say would occur? What does he say would be the result for the native people of Canada whom we have treated so badly through most of our history? He says the following would occur in increasing degree: alcoholism, family breakdown, crime and welfare dependence.

Can that evidence be ignored? I think not. These are human facts. They are not bleeding-heart laments from some well-meaning do-gooder. They are based on the actual experience of building the Trans-Alaska pipeline and the DEW line. They are based on the overwhelming evidence of nurses and doctors who have lived among the native people of the north for many years. In short, they are rooted in the experience of the native people's eloquent and sad testimony to their own history.

It is important to note that Mr. Justice Berger does not ask that we turn back the clock of history, another erroneous, ill-informed and stupid criticism of the report. Mr. Justice Berger is not burying his head in the sand of history. He is simply saying to Canadians, "Let's take care". He is saying that a little time is required, only ten years, ten years out of the hundreds that the native people have lived there, so that they themselves can have a hand in shaping their own development in the resource development that will come, so that they may develop their own institutions and make them relevant to events that will change their lives.

The native people of Canada, no less than the rest of us who live elsewhere, are not planning for a no-change society. They know that change will come, that history marches on. What they are asking for through Mr. Justice Berger's report is a crucial part in the decision-making that is going to affect their lives.

Some hon. Members: Hear, hear!

Mr. Broadbent: We in the south demand no less for ourselves. Why should we expect less for the native people of our north? I want to make this point as clear and unambivalent as I can. To ignore Canada's native people now would be a moral

crime. We would have committed this crime without the slightest practical justification. It is essential that we affirm now our commitment to justice and practicality for all the people of Canada by supporting Mr. Justice Berger's recommendation that no pipeline be built in the MacKenzie Valley for ten years so that the land claims may not only be settled in principle but implemented in detail.

Mr. Justice Berger's report has meant for many that the spotlight is now on the Alcan proposal to bring Alaskan gas through Canada to the United States along the Alaskan Highway. I want to say something about that proposal. The view of the New Democratic Party is now, as it has been for more than a year since we stated this position in a brief to Mr. Justice Berger, that the most desirable of all the pipeline proposals put forward for northern gas development is unquestionably the Alcan proposal.

Some hon. Members: Hear, hear!

Mr. Broadbent: Is it at this point totally acceptable? I want to not only ask the question, but answer it. Clearly, more work and some changes are required. In our view, it has received insufficient study. If full assessment shows that the Alcan pipeline can be built with acceptable levels of social and environmental impact, and assuming that the native land claims are settled before construction, with one major change we as a party would favour precisely this kind of pipeline. The major change required is financing. Since this pipeline would be used to ship United States gas to United States markets, surely it is reasonable to require that such a pipeline will be financed by the Americans themselves.

Some hon. Members: Hear, hear!

Mr. Broadbent: I have not the slightest doubt that our friends in the United States would share that view. If they want to get their gas from the northern part of the country to the south, as they do—and it is understandable, desirable and acceptable to us—the vast majority of Americans would consider it entirely reasonable that that project be financed by the Americans themselves and not put as a financial burden upon Canadians.

I urge the government to respect the process of public inquiry, a process democratized by Mr. Justice Berger, and to extend the deadlines now set for the two inquiries into the Alcan route by a further three months. Mr. Justice Berger's hearings were successful precisely because the communities affected were given sufficient notice to discuss the issues that concerned them before giving evidence. In the Yukon they have been given six weeks' notice and they will have only 36 days of hearings before the decision in principle is scheduled to be made. Only another three months would be sufficient to do a proper job. If the government sticks to its September 1 deadline, the inquiries will merely blink at the questions before them and then write reports. A serious mistake could be made in rushing when we do not need to. In the process, the government will have given notice that it has started to ignore Mr. Justice Berger, because one of the most important aspects of his inquiry was its respect for proper on-the-spot hearings, hearings affecting people directly affected by the decisions that are made.

Another important aspect of the government's "mulish" adherence to a deadline of September 1 is that parliament would be excluded from the decision. I listened with amazement to the answers given in the House today on this issue by the Acting Prime Minister. He referred to the motion which appears on today's order paper. What does it say? The motion put down by the government House leader dealing with the need for parliamentary decision-making on this question reads as follows:

● (1240)

That this House recognizes the social, economic, environmental and energy issues surrounding the question of northern gas pipelines and believing that the resolution of these issues must reflect the national interest approves the position of the government that all relevant reports must be considered before deciding on a pipeline and its route.

What does this verbiage amount to? Does it amount to giving parliament the right to make a decision? Does it say that the elected representatives of the people of Canada, including those in the north, will have a role to play in the decision-making? It does not. It is a collection of platitudes. It asserts, in effect, that it is the government, the cabinet, which will make the decision after it has looked at the reports. And when will it make a decision? It will make it during the summer months when it knows full well that parliament will be in recess.

Mr. MacEachen: Don't count on it.

Mr. Broadbent: It is a sham motion, and the hon. gentleman knows it. The government's position is that the United States needs to be given an answer before September 1, because legislation in that country places President Carter in the position of having to make a decision by then. However, as the government knows, the real deadline is not September 1 but December 1. The minister is well aware that President Carter can get a 90-day extension beyond September 1 if he wishes. But he has not even requested it. The fact is that the United States will not suffer if there is a three-month delay. As the Minister of Energy, Mines and Resources (Mr. Gillespie) noted in the memorandum to which I referred earlier, U.S. energy chief Schlesinger advised that the gas in Prudhoe Bay would be helpful but not really significant in terms of their over-all gas consumption.

Today, in the question period, I pointed out to the Acting Prime Minister that the United States Ambassador to Canada, Mr. Thomas Enders, had stated there was no urgent need for either Canada or the United States to make an early decision. So the government has no excuse for blaming the United States on the grounds that there is a deadline which this country has to meet. The reality is that the government of Canada does not wish to postpone a decision beyond September 1 because it knows that if it did so it would have to face parliament and the prospect of a debate.

With regard to the Alcan proposal, I call upon the government, on behalf of the NDP, to respect the Berger precedent for adequate discussion. The Yukon hearings must be given slightly more time. The Americans must agree to finance the project, since it will carry their gas, and parliament, not just the government, must discuss the final decision, one of the most important in our social and economic history. However, apart from the Alcan proposal—

Mr. Deputy Speaker: Order. I was ready to allow the hon. member a minute or two, but he has gone beyond his time and he can only continue by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Broadbent: I thank hon. members for their consideration. I am about to wind up. I call upon the House today simply to express its respect for, and support, of Mr. Justice Berger's principal recommendation that there should be no pipeline in the Mackenzie Valley for at least ten years. The evidence before Mr. Justice Berger was substantial and persuasive. His arguments, on practical and moral grounds, are irrefutable. When he began his hearings, Mr. Justice Berger said that the way in which we decide to treat the north when making this decision will tell the world what sort of people we are. This statement has often been quoted. The time has come for us to show the world what sort of people we are. I hope we are equal to the test. And the place to start that test is right here and now.

Some hon. Members: Hear, hear!

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I was particularly pleased to hear the reference of the leader of the New Democratic Party to the importance of there being a debate in the House of Commons before a decision is taken. But I cannot forgo passing a comment on the irony of the situation. The NDP wants parliament to debate the matter before taking a decision. But the NDP is quite prepared to take a decision itself before there has been any public debate.

Nevertheless, within the next few months the House must take a very important decision regarding energy and the attitude we should take toward northern development and native claims. I emphasize that it is the House of Commons which must take that decision, not just the government, and that we must do so on the basis of all the available evidence. This means that a simple debate, a simple exchange of views in the House, is not enough. There would have to be an opportunity for a committee of the House to consider all that is involved, and then, on behalf of the people of Canada, to make recommendations which will reflect and determine the general national interest of the country on these questions.

Mr. Justice Berger has submitted an extensive and excellent study. He has carried out his terms of reference in an extraordinarily effective way. The methods he used in his inquiry are a model of participation and democracy, and he deserves the gratitude of the country—not simply for his work but also for the standard he has set. He makes a recommendation for delay in the construction of a pipeline, a recommendation which the evidence before him supported. It would be hard to contest his evidence—although, naturally, some of it will be contested—but the fundamental fact for parliament and the people of Canada to understand is that there is other evidence yet to come, evidence into other parts of this question which deserves to be considered as seriously as the Berger report.

• (1250)

As I said on Monday, Mr. Speaker, it is necessary to consider the evidence from the National Energy Board, whose report on pipeline applications is expected this summer. Then there is evidence from the study by Dean Lysyk into the Alcan route. There is evidence from various studies prepared for governments, or agents of governments, and not yet made available to this House of Commons. There is evidence, indeed, concerning the accuracy of some of the conclusions of the Berger inquiry—or filling in information that Mr. Justice Berger felt was beyond the terms of reference of his inquiry—in the way that future design proposals from pipeline companies were beyond what Mr. Justice Berger described as "my responsibility . . . to assess the project proposals as they now stand".

I was pleased, Mr. Speaker, not only that the leader of the New Democratic Party quoted me in his opening remarks, but that he quoted me correctly as saying that, on the basis of the evidence we now have, the Berger recommendation for a delay would seem to be a sensible proposal. That is the statement which I made, and I am pleased to have that statement correctly quoted by the hon. member. I also said at that time that we may well receive new information regarding Canadian reserves, regarding Canadian requirements, regarding some new techniques for dealing with some of the problems that Mr. Justice Berger raised which could change the time-frame that he proposed. Certainly, we in the House of Commons should not prejudge this important question in the way this motion requests, when only part of the evidence is in. Indeed, that is the fundamental fault with the motion now before us. This motion wants the parliament of Canada to take a binding decision before all the evidence is in. The reason for that is that the NDP is not really interested in the evidence. Not only are they prepared, with this motion, to prejudge the evidence of the National Energy Board, and any other evidence that may come available, but three months ago they were prepared to prejudge the Berger report. On February 23 the hon. member of parliament for Nanaimo-Cowichan-The Islands (Mr. Douglas) introduced an amendment expressing the opinion "that the proposed construction of a Mackenzie Valley pipeline is not in the best interest of the Canadian people". That was well before Berger—

Mr. Leggatt: It was ahead of your time.

Mr. Clark: It was ahead of the evidence. That determination to prejudge the evidence indicates that the major motive for most of the NDP—and I would exclude here probably the hon. member for Northwest Territories (Mr. Firth)—is not hard

evidence and it is certainly not the high ground of decency, which the leader of the NDP sought to pre-empt; it is, instead, their old, blind bias against business and against the United States of America.

Some hon. Members: Hear, hear!

Mr. Clark: What worries us is that there appears to be an equal bias, on the other side of the question, among ministers of the government. The only minister who has expressed a view on the Berger report said categorically, to quote him, that he was "not in any way in agreement with Berger". The government was given the opportunity to dissociate itself from that view on Wednesday, and expressly refused that opportunity, so we can only assume that the minister spoke for the government when he said he was "not in any way in agreement with Berger". As my colleague points out, not only did they not dissociate themselves from the statement of the minister; as soon as he made the statement they rewarded him with two minutes as Acting Prime Minister of the country.

Mr. MacFarlane: That is closer than you will ever get, Joe.

Mr. Nowlan: They are all actors over there.

Mr. Clark: Without dwelling too long on Acting Prime Ministers, the important point to make here is that the position of the Prime Minister himself is not clear, except that he seems to be bound to the September 1 deadline. He has been threatening Canadians—and I use that word advisedly—that unless we decide by September 1, the United States will decide for us choosing the El Paso route. Two parts of this argument are curious. The first is the insistence upon September 1, when it is well known that the government of the United States has at least three months, back to December 1, to make a decision under its own existing legislation. Since the Prime Minister insists so much upon September 1, the question must arise as to whether there was some secret arrangement between himself and President Carter by which the Prime Minister of Canada gave away three months of time which might normally be available for this country to consider a question of utmost importance to our future.

The second curiosity is that the Prime Minister seems to be giving away, in advance, any capacity, on behalf of Canada, to argue for a delay in the United States timing, if—and I emphasize "if"—the evidence made available to parliament indicates that the Canadian national interest would not be served by American deadlines. We will want to know why the Prime Minister has deliberately chosen this approach which could limit our negotiating power on this question.

Of fundamental importance here is that Canada takes the right decisions on the related questions of an energy corridor, northern development, and the treatment and future of our northern people. The best way to guarantee that the decision will be right is to have it taken in public, in the parliament of Canada. For that reason, this party has consistently sought to have all the evidence brought before a special committee of the House of Commons, a committee to which should be referred the Berger report, the National Energy Board report, the Lysyk report on the Alcan route, the Fenco consultant study of the possibility of the cost overruns, and all other information which relates to these decisions.

The government has now been pushed toward a public debate but cavalierly dismisses, as the Acting Prime Minister did the other day, a reference to committee as being simply another inquiry into an inquiry. That misses two points. The first is that each of the previous inquiries, whether the Berger inquiry, the NEB, the Lysyk study, or any other, was into a limited subject, and there is no agency now established to pull together all of the recommendations of all the separate inquiries and consider them together. I should specify that there is no public agency for this purpose. The government has the option, as always, of pulling this work together in secret and making its decision in secret. This is the style of this government. That is no doubt about their intention now, and that is the proposition which we in this party simply will not accept.

It is the job of parliament to make these decisions. Parliament, and only parliament, can make national decisions. Mr. Justice Berger, the National Energy Board, Dean Lysyk, even the Prime Minister himself, do not represent the people of Canada in our system. Parliament is not just another level of study. It is not one more inquiry. It is the only legitimate place for the mapping of the course that we must take in the north, and the only effective way that parliament can gather the information which we need and to have the right to call witnesses and debate the issue in some kind of committee format. Among other advantages, a parliamentary inquiry will provide a responsible public forum—a court of appeal, if you will—to those major groups who disagree seriously with the reports of Mr. Justice Berger, Dean Lysyk, or the National Energy Board. For example, Canadian Arctic Gas, having spent $140 million in preparing its proposals, should have some public forum in which it can take issue with some of the conclusions of the Berger inquiry. Serious parties who disagree with recommendations Dean Lysyk might make, or with recommendations or calculations that might come from the National Energy Board, also require some public forum to which they can present their evidence so that Canadians will be in possession of all the facts when we take the decision which we must take.

● (1300)

Some hon. Members: Hear, hear!

Mr. Clark: There are a number of important questions which flow from the Berger report. One of them has to do with the design changes which might change the feasibility of some of the projects referred to by Mr. Justice Berger. Another talks about the technical uncertainties documented by Mr. Justice Berger relating to frost heave and the possibility of new methods being developed which can deal with that serious problem.

Mr. Justice Berger stressed the potential of scheduling and work delays forcing some construction to take place over the summer months. We need to know whether that is likely to be

the case. Mr. Justice Berger said that the environmental threat of an interior Yukon route was not as compelling as the threat from a coastal route. There is some potential threat to the caribou wintering grounds. The people of Canada need to know, before they make a decision, how serious that threat is.

There has been an indication that there may not be an adequate opportunity for native employment on large-scale development projects. A committee of this House has the responsibility to inquire into means by which we can ensure, if large-scale projects go forward, that there will be opportunities for the native people of the north to work not just on simple projects but to make use of the opportunities to develop their own skills. That is an area which must be investigated by a committee of the House of Commons. That flows from a question raised by the Berger inquiry.

Mr. Justice Berger has indicated it is going to take some time to resolve questions relating to native titles. He suggests ten years, but there is no guarantee that it would take ten years. We need to have the opportunity to hear other evidence and other views as to other time-frames that might apply. Mr. Justice Berger suggests that an economy in the north can be based upon small business, and the orderly development of gas and oil resources could be in partnership with small business. That is a theory which has to be examined in some detail. It is essential to examine that theory if we are to have all the evidence we should have.

Those are some of the questions which flow from the report of Mr. Justice Berger. They are questions which need to be answered before a decision can be taken. Those questions can only be answered by a special committee of the House of Commons of Canada.

Some hon. Members: Hear, hear!

Mr. Clark: There are innumerable other questions which arise outside the report of Mr. Justice Berger. One relates to the viability and the feasibility of a railway. Another relates to the extent of our gas reserves and the possibility of new frontier discoveries in the Delta or the Arctic Islands. We need to have some solid information about the effects on exploration in the Beaufort Sea, in the Delta and in the High Arctic. If there is no pipeline, we need to know the effect of that on the economy of Canada generally.

We need to know the effect of proceeding with a pipeline or not proceeding with a pipeline. We need to have a clear understanding of the environmental, the social and the economic impacts of an Alcan route. As a committee of the parliament of Canada, we need to give our advice, to gather our evidence and to make our views known on the broad question of what constitutes the Canadian national interest in a question of this kind.

Mr. Speaker, this is a time when we face highly important questions. The report of Mr. Justice Berger, as well as the particular recommendations it brought down, was a clear indictment of the failure of this government to develop an effective policy for northern Canada or to operate within the context of a comprehensive national energy policy. There is no policy in either of those areas.

Some hon. Members: Hear, hear!

Mr. Clark: That is a matter which the parliament of Canada must study and consider in detail, with the power to call witnesses, with the power to gather evidence and with the power to make recommendations and not simply talk. We have ahead of us some highly important decisions. As the parliament of Canada, we have an obligation to gather evidence with care and to consider it with the utmost care. We have the obligation to do that work in public. This is not a time to close doors, as the motion by the New Democratic Party proposes. This is a time, instead, to open doors and to allow full examination of all the evidence in the public eye of Canada.

Some hon. Members: Hear, hear!

Mr. Clark: For that reason, in the interests of ensuring we have the broadest possible opportunity to gather all the evidence, to open all the doors and to make in public the best possible decisions for the future of Canada, I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

> That all the words after the word "government" be struck out of this motion and the following substituted therefor:
>
> "to appoint a special committee of the House to consider the recommendations of the Berger report and all other reports, studies and recommendations relevant to the building of a northern pipeline, and the method of settlement of native land claims and urges that no commitment in principle be made to build a northern pipeline without parliamentary approval".

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. The subject matter of today's debate is too important for us to spend any time on the procedural argument, but I suggest that Your Honour should seriously consider whether this amendment is in order. An amendment to the kind of motion that is down for today is certainly provided for, but it has to be relevant and it must not introduce a totally new proposition.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): Nonsense. How does it do that?

Mr. Knowles (Winnipeg North Centre): If my hon. friends wanted to do this, they should have done it on Tuesday.

Mr. Speaker, the proposed amendment substitutes for what we put down a totally different proposition, the kind for which notice would have to be given. Without taking the time to read the citations, I suggest to Your Honour that as an amendment it is clearly out of order.

Mr. Hnatyshyn: We mentioned Berger.

Mr. Baker (Grenville-Carleton): Mr. Speaker, the member for Winnipeg North Centre (Mr. Knowles) seems to feel it is all right for the NDP to move amendments to opposition day

motions, but when we move amendments to opposition day motions suddenly it is a little different.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Mr. Speaker, the other thing is this: if it is your intention to make a ruling with respect to the matter, I respectfully suggest that matter ought to be argued in full by the person who objects to the amendment. I suggest there should be a corresponding argument from those of us who support the amendment and that this matter not be allowed to be raised in this way.

• (1310)

As to one other point made by the hon. member for Winnipeg North Centre, he says we could have done it on Tuesday. Mr. Speaker, this matter is so important that the one way we could ensure there will be a vote on it and that the hon. member for Winnipeg North Centre and his colleagues will stand up for parliamentary democracy was to do it the way we did it today.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): The hon. member cannot have it two ways. I am in the Chair's hands as to whether or not an argument is to be made now. If an argument is to be made now, then I think the hon. member should put his objections first and I will then make the argument.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. I understand the feeling of the hon. member, but he knows that the Chair does not have to pass judgment on the merit of the motion or of the amendment. The purpose of a procedural debate on the acceptability of the amendment would definitely and strictly be to debate the question of relevancy which has been raised by the hon. member for Winnipeg North Centre. That point had occurred to me even before the hon. member raised it in the House. There is difficulty with the amendment. There might be some precedents in this House so far as special debates are concerned, such as the Speech from the Throne or on motions to give second reading to a bill. But we are dealing right now with a very limited motion which urges the House to come to a decision on a recommendation of the Berger report. At first glance the proposal of the Leader of the Opposition seems to bring in a new subject, or subjects.

Mr. Broadbent: That is a total red herring.

An hon. Member: You mean a blue herring.

Mr. Deputy Speaker: I want to understand the right of an hon. member to make a procedural argument to enlighten the Chair, but I find it is also the responsibility of the Chair to be fair to other hon. members who wish to participate in the debate on the subject matter of the motion and not to lose the time of the debate on a procedural argument.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: So, with the agreement of hon. members, I will reserve my decision and at this time and I would welcome arguments by one member from each party. Otherwise, hon. members cannot prevent the Chair from making the ruling immediately. I want to be fair and I invite arguments from hon. members, but this day has been set aside for the opposition. The opposition has decided to give the right to one opposition party to present a motion. As hon. members know, a procedural debate could take up hours, and I think this would deprive hon. members who want to participate in the debate from doing so. So I could either allow procedural arguments to be made immediately, if the House so agrees, or we could hear them later in light of the fact that some hon. members are out of the House for lunch. I hope, however, that the arguments put forward are limited, and I leave that to the judgment of hon. members.

Mr. Broadbent: I rise on a point of order, Mr. Speaker. Given the importance of this debate, I would like to suggest, through you, to other members of the House that if there is to be further procedural discussion we would be happy with the ruling as soon as you want to make it, sir, and not contribute further to the discussion. If there is to be any further discussion, I suggest that we postpone it to the end of today's debate.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I do not doubt the motive of the leader of the New Democratic Party behind his suggestion, but I would say that we have to give some order to the proceedings of the House because it goes right to the root of the matter of the relevancy of speeches of members of parliament. I think it is most unfair and improper for a suggestion to be made—that is the essence of the suggestion made by the NDP, and I do not suggest that the motive is improper, but it would amount to the same thing in terms of the House—that members be put in the position of making a speech which might turn out to be irrelevant on a motion which may be ruled out of order.

So I should call Your Honour's attention to the fact that there is no lunch hour today and I certainly have no objection—nor, I am sure, does the hon. member for Winnipeg North Centre have any objection since he has amended so many of our motions—if there were an arrangement to ensure sufficient time, at the end of the day perhaps, to replace the time that was taken up in arguing the procedural matter. I think it is extremely important to the whole business of opposition days. The whole business of amending opposition day motions has not been commenced by our party; it has been commenced by the very group which now complains.

Some hon. Members: Hear, hear!

Mr. Goodale: You get as good as you give.

Mr. Baker (Grenville-Carleton): I do think that even if that is the case, no one should be allowed to rise in the House and say he thinks the matter is irrelevant, and then sit down having advanced no argument at all. Then a person who is defending the motion is put in the position of presenting a point which has not yet been propounded except in the most general way.

This would reduce our procedures to a ridiculous state. I say that we should argue the point in the usual way. None of us will be very long in his arguments, but the arguments are extremely important, not just to the question but also the rules and procedures of the House of Commons. We should not do it in any other way than the one I suggest, with the greatest respect to the Chair.

Mr. Deputy Speaker: One of the points the hon. member just raised was the right of the official opposition to amend a motion. That right has not been taken away from them. Even if the amendment is out of order, this does not mean that his party is precluded from presenting another amendment. In this case I am ready, as I said, to listen to the arguments in the procedural debate, and I welcome them. I was just cautioning hon. members and making them aware of the fact that the longer the procedural debate lasts, the less time hon. members will have to debate the subject matter of the motion before us or even to debate the proposed amendment.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, it is still my determination to keep this as brief as I possibly can. In my first submission, although my friend, the hon. member for Grenville-Carleton (Mr. Baker) may not have heard it, I said clearly that there is no objection to an amendment being put down to an opposition day motion. It is perfectly in order to do so. We have often done it.

● (1320)

An hon. Member: You'd better believe it.

Mr. Knowles (Winnipeg North Centre): It has been done quite a few times. I point out that our amendments have not taken away what was there; they have added something to it. What is wrong with this amendment is that it introduces a totally new proposition which is not relevant to the motion. The motion asks for a decision on the question of supporting Mr. Justice Berger's recommendation that there be no pipeline in the Mackenzie Valley for at least ten years. The amendment strikes all of that and replaces it with something else. That something else may be good, bad or indifferent, but it is a totally different proposition which can be presented to this House only on notice.

The hon. member for Grenville-Carleton seems to be trying to make me give one of my long speeches, and I could do it but I have no intention of doing so. However, I have made the case, as I see it, that the amendment is a totally different proposition which can only be made on proper notice and is not in order as an amendment to the motion before the House today.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, there are a number of precedents with which you should be aware, and I am going to present them so you can have an opportunity to study them. The rulings are dated March 16, 1971; November 3, 1971; June 1, 1972; June 4, 1973; and May 14, 1975. Out of those rulings certain guidelines have come forward. First, it is not proper to amend opposition motions to provide for an entirely new debate. This would be supported by Beauchesne, section 203(3), which reads this way:

An amendment setting forth a proposition which is foreign to the proposition involved in the main motion is not relevant and cannot be moved.

That is the first proposition. The second is that one of the standards of judgment would be the relevance of the original notice for the motion to the proposed amendment. If people would not be prepared for debate on the amendment by being prepared for the original motion, then the amendment obviously brings in a totally new debate. This does not do that, in my respectful submission. Third, it is not relevant to reject an amendment simply because it makes it easy or difficult to support the original question. The fact that the mover of the motion cannot support the amendment does not make the latter irrelevant, in my respectful submission.

Those are the rulings. These three points are a matter of judgment for Your Honour, and I suggest that the amendment we have brought forward is neither irrelevant nor does it raise an entirely new question. It brings in a modification of the proposal—I have to concede that—and it is most unlikely that the NDP, certainly in view of its position of some months ago, could vote for that amendment. I can see that. But the question was, and remains, if and when a pipeline should be built along the Mackenzie Valley. That is the question. That is the issue in the motion put by the leader of the New Democratic Party, and that is the subject matter of the motion put by the Leader of the Opposition (Mr. Clark).

The NDP feels that only the Berger commission is relevant, and the NDP is ready to confirm its original viewpoint. We want to examine all the reports before deciding. That is the purpose of our amendment. Our amendment is not an expanded negative, nor is it irrelevant to the motion. It interposes a necessary stage before the decision is made, but the focus of the decision remains exactly the same.

Mr. Goodale: You are not serious.

Mr. Baker (Grenville-Carleton): That is the situation. Let us think about it for a second. Anyone arguing the wisdom of endorsing Berger now without further consideration must, of necessity, address himself to the substance of the amendment, the need or lack of need for a study of other reports or recommendations. It is not my object to cause anyone—and I do not think there is any need—to change his or her speech in this debate, and I therefore feel that the amendment does not change the question we are dealing with when it proposes a relevant modification. That is the issue.

This matter is not merely one of procedure; it is a matter of ethics, and I think this is important to the operation of this House. Opposition days are divided among the opposition parties in strict proportion to numerical strength in this House, except on that basis the official opposition gets a day less than it ought to. Hon. members who have anticipated in this point of order may have noticed that the official opposition has not amended another party's motion for two years. We came to the conclusion that it is not right to give another party the choice of accepting an irrelevant amendment or wasting its

valuable time in argument. That is the decision we made some time ago. Hon. members may also have noticed that the NDP has amended almost every motion the official opposition has put forward this year.

Mr. Benjamin: By adding to them.

Mr. Baker (Grenville-Carleton): We have not challenged any of them, even though some of them were wildly irrelevant. I am going to use those as precedents for the purpose of this argument. After complaints from my colleagues I spoke to the NDP House leader, the virtuous member for Winnipeg North Centre, and told him quite frankly that we thought his actions were unethical.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): He may not have liked it, but that is what we told him. He smiled that smile which has all the warmth of a gleam from a silver coffin and kept on moving amendments. Today when we do that, he begins to howl. I am not going to give the House all the examples of the amendments moved by the hon. member, but I will cite two examples which the Chair found to be acceptable, since they did not interpose. They intervened, which suggests to me that the hon. member for Winnipeg North Centre has one standard for himself and another standard for everyone else in this House of Commons.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): The first example was the motion of February 10 of this year. We move the following motion:

That this House denounces the government's failure to generate jobs in Canada, particularly in Quebec and the Atlantic provinces, and urges immediate and resolute action, including the early presentation of a budget.

The leader of the NDP, seconded by his House leader, moved a five-paragraph amendment. I am going to read the amendment because Your Honour will have to contrast it against the delightful simplicity of our motion as well as the subject matters which were introduced and which were held to be quite proper by the Chair at that time. The following was the amendment moved on February 10:

That the motion be amended by adding at the end thereof the following words:

"This House also urges that the government

(1) immediately decrease personal income taxes for those in the lower and middle incomes to stimulate purchasing power and take up the current slack in the economy,

(2) immediately reactivate all federal capital works projects and encourage the provinces and municipalities to follow suit, and at the same time, lift any restraint on shared funding of such projects,

(3) immediately expand—in consultations with the provinces—the capital budgets for low income and co-operative housing and land assembly,

(4) immediately launch an assisted repair and renovation program of homes owned by pensioners, the disabled and low-income families, and

(5) immediately launch a program—in co-operation with the provinces—of insulating or improving the level of insulation in all residential buildings—a program which would provide not only jobs but would also conserve energy."

● (1330)

In other words, our opposition day which related to eastern Canadian unemployment was, by that amendment, not objected to by the Chair, turned into a standard NDP day in which they would tell us how they would collect billions less, spend billions more and at the same time combat inflation. That is the end of it. If that amendment, which the NDP House leader must have believed to be in order or he would not have advanced it, was in order and we use it as a guide in this matter, then I have no fears whatsoever for the amendment we have advanced today.

I will add, Mr. Speaker, that we could have used up the whole day in arguing procedural motions, but we did not. The Leader of the Opposition referred to the motion of February 23 in the course of the debate. We moved:

That this House regrets the failure of the government to develop and apply policies in the fields of the oil and gas non-renewable energy resources that are fair or just or adequate for the people or the provinces of Canada today or for the future.

That was a nice, straightforward motion. An amendment was put by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) to add these words:

—and this House expresses its opinion that the proposed construction of a Mackenzie Valley pipeline is not in the best interests of the Canadian people.

If anything, that departed from the matters that were held in our motion of that day. If that amendment was acceptable—and it was acceptable to the Chair in this House on that day—then our amendment must be perfectly in order. However, in light of the second amendment, Mr. Speaker should consider whether today's motion falls foul of the rule. This is the judgment the Chair will have to make having seen the NDP amendment of February 23. The Chair has to decide whether the NDP motion today falls foul of the rule against putting the same motion in the same session. That is exactly what they have done, and Your Honour might want to make some judgment on it. The House should wonder whether it is worth listening to people who declared over two months ago that their minds were made up before the evidence was in.

Mr. Goodale: That is what Joe Clark did on Monday.

Mr. Baker (Grenville-Carleton): My respectful submission to the Chair is that our amendment is a relevant modification of the main motion. It is certainly more relevant than the two concoctions of the hon. member for Winnipeg North Centre (Mr. Knowles) which I have just recited. The choice it offers is important to many hon. members. If Your Honour feels that some way could be devised to deal quickly with the relevancy of such amendments, I would be delighted; or if hon. members of the NDP would accept that no amendments should be moved to opposition day motions, we could avoid diversions such as the ones we are now involved with because of the objection of the greatest sinner in this House in terms of moving amendments.

Failing such agreement, we have as much right as hon. gentlemen to my left to move amendments. My respectful submission is that on the authorities and the precedents that

have been advanced by the persons who object today, this amendment falls well within the rules of order. It is my respectful submission that it ought to be allowed as one of the questions to be put to this House today for decision.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. As there does not seem to be any other participant in this procedural debate that I have invited, I would like to thank the hon. member for Grenville-Carleton (Mr. Baker) for trying as hard as he has to enlighten the Chair. I will certainly take his remarks into consideration. Before I reserve my decision, however, I want to say that the latter part of his intervention is not exact, in the sense that the Chair or the House does not prevent him or any other member from moving amendments to motions that are before the House. Any member can do that. The fact that an amendment is not relevant does not mean that the Chair is taking away the right of a member to move an amendment. If an amendment is refused on its procedural acceptability, it is only because it does not correspond to the rules of the House or precedents. The rules of the House are the standard by which we operate and the only standard by which this House can progress. I will reserve my decision until a later time, and at this time I call upon the hon. President of the Privy Council.

Hon. Allan J. MacEachen (Acting Prime Minister): I would like to join hon. members in expressing the appreciation of the government for volume I of Mr. Justice Berger's report. I know of no report submitted to the government which has been more thoroughly prepared and more clearly presented. Mr. Justice Berger has raised basic philosophical questions about the structure and values of Canadian society and the choices to be made in terms of meeting the interests of the Canadian north.

As has been mentioned by the Leader of the Opposition and the hon. member for Oshawa-Whitby, these issues must be addressed not only by the Canadian parliament but by the Canadian people as a whole. These are difficult issues. We all face the difficult problem of reconciling and balancing the needs of the native people both in terms of their traditional way of life and new employment opportunities for those that wish to become involved in Canadian industrial society, as well as our environmental heritage, our energy requirements and more general Canadian economic interests which might be served by so substantial a national enterprise as the construction of the pipeline.

I should like to remind hon. members that we face a timeframe in reaching a decision, but are under no obligation to approve a particular pipeline route or, indeed, any pipeline. Let me explain why. The United States needs Prudhoe Bay gas. We are all aware of the problems faced by the United States economy last winter because of gas shortages. We were able to help out to some degree, but that certainly is no permanent solution. We have our own requirements for gas not at present committed to the export market.

The President of the United States faces a legislative requirement to recommend a pipeline route by September 1, though he does have the power to postpone a decision for 90 days. I would not wish, however, to emphasize the legislative aspect as much as the underlying energy requirement. I think that all members in this House can understand why the United States Congress and administration wish prompt access to the significant quantities of energy available in Prudhoe Bay gas. If the only route for delivering this gas were across Canadian territory, this might present major political difficulties for Canada and, indeed, as some hon. members have suggested, it might appear that we were being pressured or blackmailed. Fortunately, this is not the case.

In their recent recommendations to the President, members of the Federal Power Commission considered a land route across Canada as a preferable means of delivering gas to the lower 48 states, but they were unanimous in their view that the El Paso alternative was a viable and acceptable alternative. As you know, this would involve movement of gas across Alaska, its liquefaction and subsequent shipment by tanker along the Pacific coast to a port in California.

● (1340)

There are possible advantages for Canada in one or the other overland route, and there are also costs and disadvantages. These must be, and are, assessed. It is for this reason that the government has commissioned studies over and above the normal consideration by the National Energy Board. Mr. Justice Berger has looked at the proposed Mackenzie Valley pipeline with regard to social, environmental and economic concerns. We look forward to the second volume of his report which will deal with terms and conditions which might be imposed at such time as a pipeline along the Mackenzie Valley might be constructed, to moderate its socioeconomic and environmental impact.

The government has also commissioned Dean Lysyk to undertake a socioeconomic inquiry on a pipeline route, known as the Alcan route, which would parallel the existing highway system in the southern Yukon, either along the main route of the Alaska Highway or via Dawson, as well as a possible spur to the Mackenzie Delta along the Dempster Highway. A separate environmental assessment panel has been established for this route by the Department of the Environment. The National Energy Board, for its part, has before it applications for the Canadian Arctic Gas route across the northern Yukon and down the Mackenzie Valley, the Foothills Maple Leaf route designed to carry Canadian gas only down the Mackenzie Valley, and the proposed Alaska Highway, Alcan route. The government understands that the board's report will be submitted in July.

Hon. members will recall, particularly those who were in the House when the National Energy Board Act was brought before the House by the then minister of industry, trade and commerce, Mr. Gordon Churchill, as I recall, of the government led by the right hon. member for Prince Albert (Mr. Diefenbaker) that under the act the government can turn down

recommendations put forward by the National Energy Board but it cannot substitute recommendations of its own. In other words, we have a double veto with respect to pipeline construction. No pipeline can be built unless there is an affirmative decision both by the National Energy Board and the government on the basis of the board's recommendation. I would go further and say that in this context there is a triple veto, that of the National Energy Board, the government and parliament.

An hon. Member: Coming from you, that is revolutionary.

Mr. MacEachen: I emphasize this point in order to underline that as matters now stand, a decision to have no pipeline is still an option for Canada. The assumption underlying the discussion is that this is not an alternative in principle. I say it is still an alternative. A decision to have no pipeline is still an option for this country. The El Paso alternative means that this need not impede United States access to Prudhoe Bay gas. As hon. members are no doubt aware, construction of an overland route across Canada has advantages for Canada in terms of earlier and more economic access to northern gas and in terms of economic activity generated in Canada by such a project. It would be foolish, therefore, for Canada not to study all factors in play within the time-frame available, that is, before the United States must decide on the El Paso route or an overland route.

Mr. Clark: When is that?

Mr. MacEachen: That is why I welcome the Leader of the Opposition joining the government today, somewhat belatedly, in suggesting that all relevant reports must be taken into account—

Mr. Clark: By a committee or parliament.

Mr. MacEachen: —before a decision is taken. I was under the impression, probably it was wrong, that the press had reported him on Tuesday as already having endorsed the main recommendations of the Berger report.

Mr. Goodale: He did.

Mr. MacEachen: I do not debate whether that change in opinion has occurred. It is important that the Leader of the Opposition has said today that no decision on this important question ought to be taken until all the evidence is in.

Mr. Woolliams: Right on.

Mr. MacEachen: That is an extremely sound position which I have been arguing on behalf of the government ever since the Berger report has been produced. Of course, the NDP is obscurantist in the extreme. They seem to be able to make up their minds without hearing any evidence at all. They have, again, put on the order paper a motion which is totally premature and, to some extent, unfair to Mr. Justice Berger. I say that because even if this motion is turned down an inference could be drawn that in some way the House of Commons is unsympathetic to the valuable work Mr. Justice Berger has done. I believe it is somewhat unfair to ask the House of Commons in a clear-cut decision to reject or accept a particular recommendation made by Mr. Justice Berger—

Mr. Clark: You had better accept our amendment.

Mr. MacEachen: —the validity of which can only be considered in terms of other relevant evidence which must be brought forward at a later date. Therefore, as a move to advance the national interest, the motion moved today by the New Democratic Party cannot be taken seriously for reasons already stated and to be stated in the course of the debate. In our view, Mr. Speaker, it would be most unwise to reach a decision until all the available information is in hand.

Mr. Baldwin: Then why did Pierre make a promise to President Carter?

Mr. MacEachen: I would not wish, and I am sure most hon. members of the House would not wish, to reject a possible National Energy Board recommendation before it is submitted, any more than I would have wished to have taken a decision on pipelines in the absence of Mr. Justice Berger's recommendations. Today we are being asked to reject in advance a decision which may be submitted by the National Energy Board.

Mr. Paproski: You had better support our amendment, Allan.

Mr. MacEachen: Prudent decision-making requires a timely choice amongst available options upon the basis of all available information. In the present case there are elements not yet available to the government, and we therefore will not be rushed into a decision until the National Energy Board's recommendations, Mr. Justice Berger's second volume, and Dean Lysyk's report and the environmental assessment on the Alaska route are available. Equally, Mr. Speaker, we do not intend to postpone a decision when the information is before us, since as is so often the case in this world an absence of a decision in itself is some kind of decision.

● (1350)

If we do not want a pipeline across Canada, we are free to turn it down, but I see no advantage in eliminating an overland pipeline option because we are unable to make up our mind or make it up on the basis of incomplete information. That is the basic position of the government. That is why I put on the order paper a motion which was referred to earlier by the hon. member for Oshawa-Whitby (Mr. Broadbent).

I did it for two purposes, basically. One is to provide a continuing opportunity for parliament, by calling this motion, to make its views known as the situation develops. If today our debate is not regarded as sufficient on the Berger report, I am prepared to recall the motion that I have put on the order paper at a later date and have a further debate, as I am prepared to call it later after the National Energy Board report is delivered so that we can have a further opportunity to

hear the views of parliament. The views of parliament will be clear before any decision is taken.

The hon. member for St. John's West (Mr. Crosbie) made a somewhat similar proposal in the House of Commons on Tuesday of this week when he suggested in a motion:

> That the government be instructed to initiate a full debate in this House concerning proposals for the construction of a northern pipeline once all of the relevant consultants, boards, commissions and committees have reported on the matters referred to them in connection therewith, and that no final decision be taken in connection with such matters until after full debate so that the views of members of the House as to what action should be taken in the national interest may be known.

I say "Amen" to that. That is the purpose of this motion. It provides a continuing opportunity for parliament to make its views known as additional information is brought forward before a final decision is taken. It also indicates that the government does not intend to take a decision on this matter until all the relevant information is before us. I cannot understand why the New Democratic Party, regardless of the validity of the point which it puts forward, would ask the House of Commons to take a premature decision.

Some hon. Members: Hear, hear!

Mr. MacEachen: That is the main objection to the motion put forward. It is premature and, I believe, unfair to the very valuable and historic report that has been brought forward by Mr. Justice Berger. I have read most of the report. I find it extraordinary that a serious political party would ask that we decide on Friday on a report of this enormous significance which was only produced and made available to members of parliament on Monday. On Friday of the same week they ask the government to make a decision on this fundamental matter before it has been considered by the Prime Minister and the cabinet as a whole.

I am sure hon. members, no matter how dutiful they are in terms of their other obligations, have not been able to give to the Berger report the attention it deserves in order to reach a proper decision on a motion of this kind on Friday of the same week. I find it incredible that we should be asked to do that. For the reasons I have stated, we are not supporting the motion. It is premature. It is a prejudgment that is unsuitable in this case.

I cannot understand why the official opposition did not take proper precautions by taking this day for themselves and putting down their own motion, and not putting the House in the ridiculous position that it is in today.

Some hon. Members: Hear, hear!

Mr. MacEachen: That option was open to the official opposition, because it was apparent to me that once the Berger report was tabled the first moment the NDP had an opportunity to put a motion it would put a motion asking us to accept the main recommendation of the Berger report. The Leader of the Opposition should have stopped them at the pass. He should have prevented them from spearing him in the way they are doing through this motion. He could have avoided all that self-inflicted damage that is so apparent today.

Mr. Clark: Are you supporting our amendment?

Mr. MacEachen: I cannot say anything about the amendment that has been moved by the official opposition, because it is not before the House. It exists in some ethereal, procedural oblivion of never-never land.

Some hon. Members: Hear, hear!

Mr. MacEachen: If it is ever put before the House—and I cannot see that it has any possibility of existing, from the procedural objections that have been raised by the Leader of the Opposition—we will take a position on it. However, we are not ready to take a position on this ethereal image that is temporarily dazzling the members of the opposition.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, for a few minutes I should like to discuss the motion introduced today by the New Democratic Party concerning the inquiry report and the proposal by Mr. Justice Thomas Berger. It is obvious that the matter of building a pipeline in the Mackenzie Valley for the movement of natural gas or oil is of the utmost importance.

And the representative of the New Democratic Party was undoubtedly well inspired today in introducing such a motion. I do not mean that I agree entirely with the motion but I think the subject deserves consideration. However, without prejudging the decision to be made on the official opposition's proposed amendment to the NDP motion, I find it quite unreasonable that this method should be used during those allotted opposition days and that an attempt should be made to use the day of another opposition party to change almost entirely the subject matter to be discussed.

Mr. Speaker, even if the procedure allows it and there are precedents in that respect I think this habit should be discontinued to allow opposition parties to choose themselves the subject matter to be discussed—that is a thing for them to decide. For those reasons I think the amendment proposed by the Progressive Conservative Party, which by the way is quite incomplete, should not be accepted because if I wanted to be smart I could myself move a sub-amendment to their amendment.

I note that Justice Berger's inquiry required at least three years; he took three years to tour a vast spread of land to consult the natives, the white people living there, the companies involved in exploration or development, to determine the advantages and disadvantages of constructing a pipeline. And now, Mr. Speaker, the Progressive Conservative Party is asking us to appoint a committee to look into the inquiry that lasted three years. That committee could take three, five or ten years to look into Justice Berger's inquiry. No deadline is set.

I do not intend to support the amendment of the Progressive Conservative Party. Unfortunately, I cannot either support the motion of the New Democratic Party because I think that there must be development in this country. We need energy sources and we must develop those that are in existence and we must try to find others.

Obviously, Mr. Speaker, in so doing we will upset someone or something, but had we never done anything in the past, we would still be in the Stone Age. I was not around at that time. Early in the century, when it was decided to build a railroad to develop the area where I now live, that is Abitibi, someone was disturbed. There were native people living there at the time. There were also wild animals around. So, someone was disturbed; still, that area was settled, and today it is one of the most beautiful in Quebec.

Mr. Speaker, looking back even further, we realize that if the same objections had been made when our country was discovered, Canada would not be what it is today. That proves then that obstacles should not be put in the way of development. If you inconvenience someone, then you find ways of compensating them. A project is now being built in northern Quebec, in the riding I represent, Abitibi: I am talking about the James Bay hydroelectric project. There again, I may not agree completely with the methods used. The native people who lived there were not consulted. The area was invaded, without warning, without concern for the environment. What were the results? To say the least, the Indians and Inuit living there were inconvenienced. We should do the same in northwestern Canada, in the Mackenzie Valley or northern Yukon for those who will be disturbed, those who will be in one way or another deprived of their property, of their land. They should be compensated because they are being moved to other areas where they will be able to live and find a new life.

Mr. Speaker, if there is something to develop, if there truly are resources to develop in those areas, I think we should develop them. I have noted in the report a few sections which seem to indicate resentment against our southern neighbours benefitting from this development. For instance, the report says that a major part of the energy resources that will be developed lies in Prudhoe Bay and that this will mainly serve the American states, which seems to bother some people.

Mr. Speaker, I remember that in the early sixties, when we considered the development of the Columbia River in British Columbia, the objections raised were exactly the same. The development of the Columbia River was supposed to help mostly industrial development of the American west. There seems to be some objection to seeing the United States develop their industry. Mr. Speaker, I find this way of thinking somewhat small-minded and I believe that this development would help Canada itself through the routes and railways which will have to be built. This will allow, first exploration, and later development of any natural gas or oil found along the Mackenzie River. The existence of such resources would not be impossible on our own territory.

Mr. Speaker, I believe we should not interfere with this development. Of course, we must be careful. We must take all necessary precautions to cause as few problems as possible in the area. Mr. Speaker, the Canadian engineers and technicians who have worked independently from the Berger Commission have also made some studies. The National Energy Board is now interested in this subject and will soon submit a report, at least I hope so. I believe that all these people are able to take the necessary action to minimize damages while allowing as much development as possible.

• (1400)

[*English*]

Mr. John C. Crosbie (St. John's West): Mr. Speaker, in rising to speak to the motion and as energy critic for the Progressive Conservative party I have to say quite frankly that I have not made up my mind on the issue of the pipeline or on what should be done on behalf of Canada or, indeed, what decision we should come to in the next few months. Unless you are a partisan in favour of one project or the other, or unless you are thinking blindly and come to the conclusion that there should be no more pipeline construction in Canada, no more damage to the environment and no more damage to the ecology, or that we should see no more spread of industrialization, I do not know how you can come to the opposite conclusion either. It is obviously too early for that.

Mr. Speaker, as I say, I have not made up my mind, and our party has not made up its mind yet. We do not intend to make a decision until we have examined the other reports which were referred to by our leader and by the President of the Privy Council (Mr. MacEachen). When we have had a chance to study these reports we will then make our decision.

I will deal with some of the remarks of the President of the Privy Council first. He has come a long, long way since the Leader of the Opposition (Mr. Clark) began some weeks ago to insist that this matter be debated in the House of Commons before the government reaches a decision. We are now in the position, Mr. Speaker, of seeing the government today stating for the first time that before it makes a decision on the question of a pipeline it will permit a debate to take place in the House of Commons in which it will listen to the viewpoints expressed. It will then make a decision. This is what the President of the Privy Council has told us today, and this is something entirely new. He has been brought to his senses—and to his knees—by the Leader of the Opposition.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Crosbie: And the Minister without Portfolio (Mr. Horner) has been brought to his knees also. Berger lives despite Horner. Despite Horner, Berger is alive. Now, Mr. Speaker, we want one further concession from the President of the Privy Council before he leaves office following the next election. We want a committee of this House to be appointed to consider the Berger Report and then later to consider the Lysyk Report, the NEB Report, and the other reports as they become available. We do not want to spend weeks or months

visiting the communities in order to hold hearings but we do want members of this House to have a chance to question Mr. Justice Berger on how he arrived at his conclusions. We do want the chance to question the NEB on how they arrived at the conclusions in their report. And we do want to hear from Dean Lysyk on how he arrived at his conclusions. That is why we want a committee. It will give members of the House with interests in energy and in northern and Indian affairs an opportunity to discuss the question before it is debated in the House.

● (1410)

If the President of the Privy Council can twist the Prime Minister's arm that is, if he ever comes back to Canada—and get him to make that concession, then he will have gone a long way.

Some hon. Members: Oh, oh!

Mr. Crosbie: Hon. gentlemen opposite are very touchy. Once one criticizes the Prime Minister (Mr. Trudeau) they get all upset. Perhaps there are going to be more cabinet promotions for those who are the most upset at anyone criticizing the Prime Minister.

The government should support our ethereal amendment if the Speaker finds that it is in order. The President of the Privy Council kindly referred to my motion on Tuesday. I did not know that I had any influence on this government whatever, but it has now been acknowledged that the motion that I moved on Tuesday is now the government's policy. I am delighted to have them steal my ideas.

An hon. Member: And you did not have to walk across the floor to do it either.

Mr. Crosbie: No, I did not have to join the cabinet to have that happen. The President of the Privy Council said he thought that the official opposition should have moved a motion to cut the NDP off at the pass. Why should we prevent the NDP from cutting their own throats? The sooner they cut them, the better. They certainly cut them today. Has anyone ever seen a more foolish motion than the motion of the leader of the NDP? His motion was premature, pre-historic, and hysteric. His mind was made up pre-Berger. His mind was made up before a pipeline was ever suggested. His mind was made up on this issue 30 years ago. It does not matter who is going to make a report.

On February 23 the NDP moved a motion. Did they have copies of Mr. Justice Berger's report on February 23, or are they so omniscient that they knew what he was going to propose? Are we to expect that they are supernatural beings? I do not think so, because they have shown that they have feet of clay, and that clay is going to bury them today.

Not only has the NDP come to the conclusion that there should be no pipeline, that it should not go down the Mackenzie Valley, despite the fact that Justice Berger made a positive recommendation that the route was all right but that he wanted there to be time to settle other matters first—not only have they cast aside the Mackenzie Valley and Delta route, but they have now decided that there should be an Alcan pipeline. What kind of supermen do we have? Before Dean Lysyk even makes his report the leader of the NDP has come to the conclusion that the Alcan route is the route the pipeline should take, from Alaska down through the Yukon, into B.C. and Alberta, and on to the United States. I marvelled when I heard these hon. gentlemen make such a quick decision before the report is even in.

The leader of the NDP said that so long as financial guarantees are not required the Alcan route is the one that should be adopted. He wants three months more for the Lysyk committee to report. Why does he want this time? He has made up his mind that we do not need the Lysyk inquiry. The leader of the NDP has made himself a laughing stock, as anyone who reads today's *Hansard* and reads the premature conclusions he has come to will concede.

The Leader of the Opposition does not need the National Energy Board. If he ever becomes Prime Minister he will eliminate the National Energy Board.

Some hon. Members: Oh, oh!

Mr. Crosbie: If any hon. gentlemen want the floor, they can speak after me.

The Acting Speaker (Mr. Ethier): Order, please. The hon. gentleman for St. John's West was recognized, and if anyone wishes to participate in the debate or interject, they must address their remarks to the Chair, or raise a point of order. But they must first be recognized.

Mr. Cullen: Mr. Speaker, I rise on a point of order. I do not know whether the hon. member for St. John's West was getting carried away with his own rhetoric, but he suggested that the Leader of the Opposition (Mr. Clark) would do away with the National Energy Board. I believe he meant to say the leader of the New Democratic Party (Mr. Broadbent).

Mr. Crosbie: I am glad to have that correction, Mr. Speaker. The leader of the NDP would do away with the NEB because he has already found that we have sufficient gas supplies without using frontier gas to last us till the 1990's. What a piece of puffery. We all remember the three monkeys, Mr. Speaker: they see no evil, they hear no evil, and they speak no evil. The leader of the NDP sees no pipeline, he hears no pipeline, and he speaks no pipeline. The poor fellow, we have to pity him. That is the position of the NDP. I hope our ethereal motion will come before the House so we have something we can get our teeth into.

Some hon. Members: Oh, oh!

Mr. Crosbie: I can see they do not like that, Mr. Speaker. Let them all shout and bawl, but they will not out-shout me.

The position taken by the Leader of the Opposition today was entirely consistent with the position that he took on Monday, the position he took a month ago and five months ago, when he said that Justice Berger's report was excellent,

an important step in the process. But he wanted to ensure that there would be an opportunity for parliament to consider, not simply that report, but also have access to all available consultants' reports which had been prepared, and to have a full debate after the NEB had reported on reserves and on the pipeline applications which are now before it. That is exactly what our position is today.

When we are considering the Berger report—a first class document and anyone who reads it will be impressed—we must realize that changes are in store, not just for Indian and native people, but for all Canadians, if we cannot overcome the energy crisis, if we cannot ensure that we can heat and light our homes and factories in the future as we have in the past. Unless we can overcome these problems, life might well change for all Canadians. Canadians are not taking sufficient alarm at what faces them with respect to energy in the future. One reason why they are not thinking sufficiently about it is that the government has no policy in the field of energy. It is a government which, when you ask a question, responds with a timid titter. When you ask this government a question about its energy policy, you get no information. A smile is no substitute for the truth or for an informative answer when questions are asked. There are too many happy titters running through this House.

The government has no energy policy. It has strategies, it has techniques, it has documents, it files reports, but it has no policy. What has it done which is in any way effective in the field of energy conservation? Canada's energy needs on the supply side are not going to be met without a fantastic effort toward conservation in Canada.

In the United States of America their goal is to have no more than a 2 per cent increase in the use of energy per year. Our timid Minister of Energy, Mines and Resources (Mr. Gillespie) has a goal of 3½ per cent per year. A goal of less than 3.5 per cent was announced in May, 1976. I am tired of this government announcing goals. I want to hear it announce a policy and to tell us how it is going to fulfil that policy.

I have here a document put out by the Department of Energy, Mines and Resources comparing President Carter's energy conservation proposals with the minister's own mouse-like steps. On the one side we have the United States latest energy growth in demand of 2 per cent, and that is quite explicit. On the other side the minister says he has a goal of less than 3.5 per cent, an announcement made in May, 1976. This is typical Canadian bureaucratic obfuscation. He says a further analysis suggests that a 2 per cent growth rate may be feasible. Did you ever hear anything so foolish?

Because the United States has set a target of 2 per cent, the Minister of Energy, Mines and Resources now says 2 per cent may be feasible here. What steps is the minister going to take to achieve that target? Is he going to do it by having energy conservation programs in Nova Scotia and Prince Edward Island and discriminating against the other eight provinces of Canada? He is slithering around now because he knows he is in trouble in oil and gas price changes by saying he may extend it to the other eight provinces of Canada. If there is an election this fall, he will have it done before the fall. If it is not this year, then he will have it done before next year. It is not going to help him because the people of Canada are going to remember his great energy conservation policy applied only in Nova Scotia and Prince Edward Island. That is not what we want.

● (1420)

We want a true energy conservation policy with some muscle behind it. We want the minister to get together with the ten provinces of Canada. If the provinces are not doing their share—and most of them are not—we want the minister to persuade them that together they have got to start an emergency program of conservation and more efficient use of energy. The answer is not on the supply side only. We are never going to be self-sufficient in supply. It is going to be too expensive.

The hon. minister opposite has no hydro policy either. His hydro policy is lacking. There are hydro sources throughout northern Canada that can be developed. There are certainly many thousands of megawatts. The minister is doing nothing about that. He is letting them lie fallow. There is no assistance program for those sources, many of which lie in less wealthy provinces which cannot develop them with their own financial resources. The minister is doing nothing there. He has no hydro policy. It is time he got his water aroused and got a hydro policy.

What is the minister doing on the tar sands? The tar sands are lying idle. There was one project—Syncrude. What has happened since? What is going to happen in the tar sands? What is the minister doing for exploration? He is doing nothing.

The government of Alberta did something. Last year exploration and development in Alberta burgeoned up. I am not saying it "Bergered up"; I am saying it burgeoned up. What is the Minister of Energy, Mines and Resources doing to see that we get more of the tar sands developed? He is doing less than nothing. The gentleman should resign, unless he can start making some progress in these areas. What is he doing for heavy oil? He is doing less than nothing. Will the Minister without Portfolio help direct his mind in these directions? He is trying to direct his mind into an anti-Berger direction, but will he use his influence? Will he try to get the government to adopt some kind of policy? We know we are going to see some fantastic changes in Liberal policy now that the Minister without Portfolio is there. The lion has returned.

I am not one of those who scoff at the oil and gas companies and the chances and risks they are taking. I think something should be said about them occasionally—what they are trying to do and what they are risking. I am referring to companies such as Dome Petroleum. I know we have a very risky, tricky situation in the Beaufort Sea. Canada is lucky to have entrepreneurs and companies which are willing to risk millions of dollars on long shots to develop the technology and try to find and develop the resources with it. Although I think it is time a good word was said about them and the rest of the oil and gas

producers in Canada, they have to be regulated in the public interest. I think they should be praised because of the fact they are willing to go for the long shot, to invest their money and wait years before they have any return. We should keep that in mind.

What are some of the questions to be considered before we decide whether Mr. Justice Berger's recommendations should carry the day? He has reported on certain aspects. We have got to decide on Canada's economic situation. What is the expense going to be on our balance of payments if we do not bring gas from the frontier areas down into the area along the Canadian border? What would be the effect on the balance of payments? The picture is grim. The picture with respect to oil shows us as having a deficit on the balance of payments accounts with respect to oil alone if present projections go ahead and even with conservation of $5 billion or $6 billion by 1985. What about that? Are we going to need gas to replace some of that oil to help us with our balance of payments problem? Because of this government, we know Canada is fast sinking down into the sink hole in its international trade and balance of payments.

Some hon. Members: Hear, hear!

Mr. Crosbie: If Canada can be saved with a change of government, then it should come this year rather than next year. Hon. gentlemen opposite should get their nerve up and call an election. It may be another year before we can start saving Canada. We have got to keep the balance of payments in mind. We have to keep the financing conditions in mind. We have to keep in mind the economic activity that will be developed in Canada if the pipeline does go ahead.

One thing we should not do is to make a premature decision. Neither the government nor parliament should make a premature decision. Because the United States of America passes legislation which indicates they want to make their decision by September 1 or 90 days thereafter, that should have no effect here in Canada. If it takes us another six months, we should tell them it is going to be six months, and they can change their legislation. Who ever heard of anything so foolish as the President of the Privy Council saying that we have to decide in August because the Congress of the United States passed legislation a year or two ago saying that the President has to recommend something by September 1? I say to the United States Congress, "Get your amendment ready. You might have to change it from September 1 to March 1, or even to June 1. If you do not want to wait until we are ready to make our decision in our national interest, go ahead and bring it down by LNG tanker from Alaska". We are not going to be rushed or hurried because the government of another country passes legislation. Has anyone ever heard of anything so foolish?

If we could properly make a decision, if the Lysyk report were on time and we had enough time to consider it, perhaps by December 1 we would be in a position to do it. We would not be in a position to do it by September 1. There is no government in this world, unless it were composed of the leader of the NDP, which could decide this issue by next September 1 properly and give all the various facts their proper consideration. The Leader of the New Democratic Party, if he were the Prime Minister, would have solved the whole thing five years ago. He would not have had a Mr. Justice Berger. He would not have needed him. There would be no pipeline.

The final twist today is: what about the Yukon Indians? Mr. Justice Berger has dealt with the Indian and native people along the Mackenzie Valley. He has not gone into detail concerning how they would be affected by the other area of the Alcan route. The Leader of the NDP is prepared to abandon the fewer number of Indians who are there.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman that his allotted time has expired.

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the President of the Privy Council (Mr. MacEachen) said earlier, we are going to vote against this motion today, not because we are opposed to or decided on its substance or the arguments in its favour, but because it is premature. It is premature because parliament has established a National Energy Board to consider, among other things, pipeline applications, and to advise the government accordingly. For the government to accept or reject the principal Berger recommendations at this time would be an affront to parliament and the institutions established by parliament.

Some hon. Members: Hear, hear!

Mr. Allmand: What would the NDP say if the National Energy Board report happened to be published first? It was only an accident that it was not. If that report were published before the Berger report and the government were to make its decision on that basis without waiting for the Berger report, what would they have said? Obviously they would have cried murder, and justly so, if we had dealt with the National Energy Board report merely because it came out first and had not waited for the other principal report in this matter. It so happens that the Berger report has been published first by accident. That is no reason for a response now without examining the others.

If the government is to be fair and responsible, our response to whether we build a pipeline at all; what route it should follow; whether it should be delayed for ten years or any other period, must be based on a thorough study of the Berger report, the National Energy Board report, the Lysyk report and all other relevant documents. Any other course of action would be clearly irresponsible and even dishonest. Therefore we will vote against the motion, as I said, not because we oppose the substance but because it is premature.

● (1430)

Some hon. Members: Hear, hear!

Mr. Allmand: I will not even take issue with the arguments put forward by the NDP to support its motion. I will, however, put forward the government's position on some of the questions involved and where we presently stand on land claims.

Mr. Justice Berger in volume I of his report has given us a timely, thoughtful, and eloquent commentary on a very complex situation existing in the Mackenzie Valley at present. It is a report of very direct significance for me as the Minister responsible for Indian Affairs and Northern Development. It reflects in a coherent way many of my current pre-occupations and appreciations relating to native land claims, economic development and political evolution in the Northwest Territories. It was clear from the proceedings of the Berger inquiry, whether in the representative public meetings held in the large centres or in the less formal small gatherings in the tiny communities, that the Berger Commission was receiving evidence on a whole range of concerns. These concerns were triggered by the pipeline applications but extended well beyond them in terms of both content and implication.

Many of the same concerns have been raised in other forums and at earlier times. Some are less well known than others. Some are susceptible of effective government response, others raise real difficulties that are not easily overcome.

Judge Berger was asked to make recommendations in relation to the pipeline applications. In the course of his inquiry he has heard references to a whole range of problems that have been raised by various people in the Mackenzie Valley. Accordingly, his report does make certain recommendations that will be considered by the government in the months to come, along with other advice and recommendations on the same subject.

He also makes comments on other issues and problems that are valuable, and especially to me as the minister concerned with Indian and Inuit affairs, because they bear directly on key aspects of the government's continuing responsibilities for and relationships with these native groups.

In the first place there is much that I can agree with in the commission's assessment of the needs and aspirations of the northern native peoples. I am aware of their concerns—many of them shared by Indians generally in this country—about the threats to Indian and Inuit identity that are inherent in the rapid economic and social development all around them.

Since assuming my responsibilities as minister I have had frequent occasion to assure representatives of the Indian people, both in public and private meetings, that the government is committed to continuing its special responsibilities in relation to them; to safeguarding their Indian status, rights and interests; to ensuring their continuing Indian identity within Canadian society. This commitment is expressed and reflected in a whole range of policies and activities the government is pursuing at the present time north and south of the 60th parallel.

This can best be illustrated by the following quotations from current policies of the government: first, from a statement entitled "Canada's north 1970-1980" made in March, 1972, which reads as follows:

> The people of the north have survived for many centuries in spite of the harsh conditions prevailing there. In recent decades the native northerners have been offered new opportunities and facilities for strengthening their capacity to survive. But survival for them must be more than mere subsistence supplemented by government subsidy. It must above all permit the people themselves to make their own choices as to the place they wish to occupy and the part they wish to play, in the evolving society of Canada, north and south of the 60th parallel.

Second, the statement on claims of Indian and Inuit people, released on August 8, 1973, which reads as follows:

> The government has been fully aware that the claims are not only for money and land, but involve the loss of a way of life. Any settlement, therefore, must contribute positively to a lasting solution of cultural, social and economic problems that for too long have kept the Indian and Inuit people in a disadvantaged position within the larger Canadian society.

Third, a directive to all directors general of the Indian affairs program issued by the minister on July 26, 1976, enclosing a paper entitled, "Approach to Government-Indian Relationship", which reads as follows:

> The emphasis of the approach is on processes of joint participation in policy/program developments with organized Indian leadership at all levels. In conveying to you this paper, I intend that you should be guided at all times by this approach, the various implications of which are summarized in the paper. The approach would also serve as a broad policy framework for all federal departments and agencies having programs that affect status Indians, with heavy emphasis on systematic consultation among departments concerned both in Ottawa and in the field.

These policies are reflected in the processes established and contemplated under the National Indian Brotherhood-Cabinet Committee, in the claims negotiations, in the progressive transfer of authority and resources to Indian bands, and Indian people.

Judge Berger has also commented about the need for a partnership of interests between government and the native peoples. This is something else that I subscribe to whole-heartedly and that has become a principal thrust of departmental effort, during the past year or so, toward an improved relationship with the Indian people.

In a wide subject area including housing, education, economic development, and Indian Act revision, departmental officials and I have been engaged in closely-knit, joint working arrangements intended and designed to arrive at agreed accommodations of policy and program, whereby the Indian people can take charge of their own affairs in ways of their own choosing.

I agree with Judge Berger that the Indian and Inuit groups in the north must have freedom and latitude, in making their own choices about how they wish to run their own affairs. It is basic to the government's current Indian and northern policy that self-government, education, municipal services and economic development in native communities should reflect native values and take into account suggestions advanced by communities themselves. This is a key consideration in the negotiation of comprehensive land claims and in the proposed political consultation that I will be mentioning later.

The Berger report refers frequently, though not precisely, to native institutions, including their own political institutions.

We have already seen in the James Bay Agreement the establishment of various institutions, controlled by Indian and Inuit groups, for governmental and developmental purposes. We have seen that Indian and Inuit peoples of the James Bay area are to have ensured representation on governmental bodies concerned with such key matters as land use, environmental protection, and game management.

The government is not wedded to any particular model for achieving and ensuring native self-government along those lines, but it is committed to ensuring that effective native participation is brought about. This is an essential and central element in our approach to comprehensive land claims in the north, in both the Yukon and Northwest Territories.

Since the Berger report emphasizes the significance of native claims, it may be helpful if I summarized the status of the various claims arising in the Yukon and Northwest Territories.

In the Yukon, representatives of the council for Yukon Indians, the federal and territorial governments, have established a co-operative planning process which is providing a new and effective framework for discussion and negotiation, and serves as well to inform all Yukoners about claims developments as they occur. This process functions under a Yukon planning council, which has reached agreement on the goals of settlement, and set up several working groups to examine the issues and prepare mutually agreed solutions. If the current rate of progress were to continue, an agreement in principle could be reached before the end of this year.

● (1440)

The Inuit of the Northwest Territories, represented by the Inuit Tapirisat of Canada, submitted in February of 1976 their proposals, entitled "Nunavut", for the settlement of Inuit land claims in the territories. A number of clarification meetings were held before September of last year when the Inuit representatives decided to consult further with their communities on the claim. The government is expecting to receive a revised proposal later this year.

The Indian Brotherhood of the Northwest Territories, representing the Dene, presented its proposals to the government last October. Among other things, the brotherhood seeks to establish an Indian territory in the Mackenzie Valley. Since last October there have been several meetings with the brotherhood aimed at clarifying various elements of the Dene position, including the issue of an Indian territory. The questions that have emerged are very complex and relate very directly to the future political evolution of the Northwest Territories.

The Metis Association of the Northwest Territories has prepared a discussion paper concerning its land claim in the Mackenzie Valley, which is now being reviewed by native communities in the valley. The association has indicated that it will submit its claim to the government by July 1.

Finally, I have just received settlement proposals from the Committee for Original Peoples' Entitlement, known as COPE, which represents 2,000 Inuit people in the Mackenzie Delta. COPE is particularly concerned about the increasing pressures of population and resource development in this area, and it has expressed a wish to work out an agreement in principle before a decision is made on a northern pipeline. We shall be studying COPE's proposals and discussing them with COPE in the months ahead.

The effective presentation of these complex native claims proposals is the product of research and other claims development activity which has been directly funded by the federal government, through our department. Since 1972 nearly $7 million have been provided to native northern associations for these purposes, including $1.6 million to the Indians of the Yukon, $1.7 million to the Indians and Metis of the Mackenzie Valley, and $3.3 million to the Inuit.

The political responsibilities, economic and social benefits, and practical working arrangements that the various native groups do achieve through patiently negotiated claims processes are to be incorporated in enabling legislation, including, above all, special enactments of the federal parliament. This procedure has been contemplated from the outset in the government's policy on comprehensive claims, enunciated in August, 1973.

It is intended to give Indian and Inuit rights and interests in this country precise definition, lasting effect, and the full protection of Canadian law. The basic aim of the government in this regard is not to diminish or dilute the identity and culture of these native peoples, but to safeguard them. It is also to promote their self determination within Canadian society to the extent that this is possible in contemporary circumstances. Judge Berger's report is much concerned with self determination for native peoples in the north, and it refers to several aspects, some of which I have already mentioned. In our Indian and northern policies at the present time we are concentrating on goals and measures that improve the prospects for political self determination and economic self-reliance in native communities. The two go hand in hand.

The Berger Report refers at some length to the native economy in the Mackenzie Valley, and particularly to the traditional pursuits of hunting, fishing, and trapping. I am largely in agreement with what it has to say about the importance of these pursuits to the native peoples and about the related questions of surface land use and environmental protection.

The report also lays heavy emphasis on the need to diversify the economy of the Northwest Territories. It suggests that more reliance be placed on modernizing the methods used in native pursuits, encouraging small industries and promoting tourism. These are among approaches that have been considered from time to time and that are being pursued by the federal and territorial governments, but not always with great success.

Far from ruling them out in the future, I believe that we need to renew such efforts with greater energy, innovation, and commitment on the part of all concerned. It goes without saying that the various sectors of the rather fragile economy that exists in the northern territories are closely interdepend-

ent, whether they are under the control of government, private industry, or the various native groups. The Berger Report assumes that resource development and related activity will continue and should do so, as long as it complements, rather than displaces, the traditional mixed economy of the native communities.

The northern economy is, moreover, sharply affected by external factors such as inflation, transportation costs, and non-renewable resource activity, or the lack of it. Judge Berger has noted these factors, among others, in his comments on the economic impacts of pipeline construction. They would exist whether or not a pipeline was built in the Mackenzie Valley in the near future or after a delay.

As the report suggests, the small, predominantly native communities, with their involvement in native economic pursuits, are perhaps better able to weather changes and fluctuations in the northern economy than the larger, mixed communities where the local enterprise tends to be largely in the service sector and in support of major resource development. This accounts in part for the concerns being expressed in Yellowknife and in other towns in the Northwest Territories about the Berger Report.

It also underlines what we have increasingly realized, and what the Berger evidence reinforces: that there must be a more cohesive strategy of economic development in the Northwest Territories, and in the Yukon for that matter. It must be shaped in the north through participation of all the interests involved there: government, industry, and native peoples. It must be related to claims negotiations and settlements and to constitutional development in each of the two territories during the coming years.

Most of the tensions and pressures in the Northwest Territories today can be traced to three major sources: first, the general demand for a greater degree of self-government; second, the determination of the native peoples to gain recognition and power through land claims; and third, the urgent need for direction and pacing in the development of the economy. These three factors, and the disruptive forces they let loose, interact among themselves and bear heavily on the whole question of how the Northwest Territories is to evolve politically in the years to come.

The Acting Speaker (Mr. Ethier): Order, please. I regret to inform the hon. minister that his allotted time has expired. Nevertheless, he may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Allmand: Mr. Speaker, I have only a few minutes to go, and I thank the House for its permission.

As Judge Berger has suggested, the way we resolve these issues and situations in the north may tell us quite a lot about ourselves and our country. Certainly there are some national implications of grand magnitude, beginning with the claims settlement that can be contemplated.

The various processes set up for negotiating land claim settlements are not sufficient to serve all the major purposes involved in the north. Neither are the normal processes and channels for government to government communication. Both these processes will continue and, no doubt, grow in importance, but in addition there is an apparent need for an essentially political process of consultation and negotiation about constitutional issues. It should be systematic, action oriented, and ongoing, under the direct guidance of the minister responsible. It should have for its mandate and framework for conducting business a broad policy statement endorsed by the federal government and take into account the various views which have been expressed by all interested groups in the Yukon and Northwest Territories.

● (1450)

During recent months I have been engaged in preliminary consultations with these groups about the policy statement and political process I have in mind. Once these preliminary discussions have been concluded, I intend to make recommendations to cabinet about the whole matter. Although I would be the last person to underestimate the complexity of the issues involved, I am hopeful that the proposed policy statement can be ready for publication this summer.

I believe we are indebted to Mr. Justice Berger for the way in which he has carried out his demanding task. I have already indicated ways in which views expressed in his report related to my responsibilities as minister and to those of the government in the north. To have these important matters presented in this informative, comprehensive, and readable report is bound to enhance public understanding of the major issues involved.

Before concluding I wish to add a few words about the board of inquiry, announced on April 19, 1977, to examine in a preliminary way the socio-economic aspects of the proposed Alaska highway gas pipeline. Its establishment followed consultations with the Yukon territorial government and the Council for Yukon Indians, both of whom are represented on the board. In this way this inquiry is different from the Berger inquiry.

In the course of public hearings in the Yukon, the board is to review the application for construction of the pipeline in order to identify areas in which additional information should be provided by the applicant and where further studies may be required.

As well, the board is to advise me of the measures that should be taken, including arrangements for a further inquiry, to produce a final socio-impact statement upon which specific terms and conditions could be developed for the construction and operation of the pipeline in the event that the Alaska highway application receives approval in principle.

I emphasize the preliminary nature of this inquiry and of the report the board is asked to make by August 1. I do this because of some suggestions in the press that Dean Lysyk and his colleagues have been asked to carry out in three months a task that occupied Judge Berger for nearly three years. What

seems to have been overlooked is that the Berger Commission conducted its own preliminary inquiry before engaging in more detailed investigations. The Lysyk Commission will not deal in environment or conditions for construction at this time.

Concurrent with this board of inquiry under Dean Lysyk, the environmental assessment and review process of the Department of the Environment will be examining environmental matters, and there will be continuous exchanging of information between the two investigatory bodies.

The Yukon board faces a major challenge in trying to arrive at preliminary findings in a relatively short time. Judge Berger's report suggests, however, that the socio-economic impacts in the southern Yukon may not be as severe as those encountered in the Northwest Territories. In any event, the experience and reports of the Berger inquiry, the first of its kind in Canada, should greatly assist Dean Lysyk and his colleagues in carrying out their assignment.

In concluding, Mr. Speaker, I wish to thank hon. members for the additional time given me, and I assure them and the Indian people of Canada again that while we are voting against this motion we are doing so simply because it is premature.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, the concluding remarks of the minister astound me. I find it rather difficult to accept the argument that he and hon. members who spoke earlier on this motion have made. They say they cannot support the motion. They say that, even after three years of very careful and hard work done by Mr. Justice Berger.

The motion reads as follows:

That this House urges the government to accept the principal recommendation of the Berger Report that no pipeline be built in the Mackenzie Valley for at least ten years.

That is a straightforward motion.

I wish to start out by stating very categorically that I wholeheartedly support the report brought down on Monday by Mr. Justice Berger. It is a totally comprehensive analysis of a most important issue. In its style it is forthright, and therefore I believe that you either have to be for it or against it, and I personally feel that anyone against the recommendations in the report is either fooling himself or, even worse than that, is rather shortsighted.

The magnitude of the proposed Mackenzie Valley pipeline is, to say the least, immense. I say that for several reasons. As Justice Berger points out, this endeavour is the greatest construction project ever contemplated by private enterprise. The impact upon the north, especially the western Arctic, is massive. And, due to the issues involved, the proposed undertaking assumes international importance. Consequently it would be foolhardy to try to minimize any of the matters we are dealing with here.

From the beginning the NDP has pushed for consideration and evaluation of such a proposed undertaking. Indeed it was due to our prodding that the Berger Commission was initially established. We feel that it is absolutely essential that, rather than push blindly ahead, we should have a clear picture of our energy needs, to determine, in the first place, if and when such activity might be necessary. In addition, we are concerned about the environmental matters, and, most important, the social impact on the northern people, especially the northern native population. It is consideration of these issues which we sought, and now we have the Berger recommendations. It is essential that we proceed with reasoned caution and try to do what is right.

Mr. Justice Berger has come out very strongly against any pipeline in the northern Yukon. The environmental concerns are of utmost importance, and any headlong rush to development and exploitation could cause catastrophic and irreparable damage in that area.

Maybe people in the south, environmental and conservation groups notwithstanding, are more accustomed to pollution and the like, and possibly are a bit more complacent, though this is changing. We in the north, who have historically had a very close relationship with the land, are very much aware of the tenuous state of the relationship. Justice Berger has explained, at great lenght, the potential dangers to the environment which would result from such an undertaking. It certainly would be difficult to argue with his conclusions as to the environmental impact that could be inherent in such a venture. But there may be those who would be willing to sacrifice the clean waters, the rare wildlife, and unspoiled land, for what they consider more important things. We all well know that it has been done before. However, let us be clear about one thing; if not immediately, then over the long run, we would be doing a grave disservice to this country.

I have no intention of going into great detail on this; but surely we are all aware by now of the often catastrophic and, usually, unforeseen results that have occurred where man has interfered with the balance of nature. And I assure you that there are very fewer areas where nature exists in such a delicate balance as it does in the north. It is a harsh land, with its own unique beauty; but due to the existing conditions, the slightest upset could have far-reaching detrimental effects. I really cannot over-state the importance of this. But this is not the only matter which we must take into consideration. There is even a very bigger concern. It should be no surprise that that concern is the people, especially the people of the north. At this point we must consider seriously the social, cultural and economic importance of such an enterprise as the building of a northern pipeline.

As Mr. Justice Thomas Berger points out, Euro-Canadian society has not taken native culture seriously. At best, its attitude can be described as patronizing. Now I admit that this is changing. It might not be changing as fast as we would like, but it is changing. Certainly people are becoming more aware of the importance of our native cultural heritage. We have seen the damage that has occurred to our way of life since the coming of the white man. It is not overly dramatic to say that the social fabric, especially in the part of the country I represent, has been torn apart. Depression and frustration in trying to cope with—or evade—the white man's lifestyle have

led to social breakdown, to alcoholism, and even suicide. Now we want to change this. We want to retain control over our lives and take our rightful place in Canadian society. But we also want to be accepted on an equal footing.

● (1500)

As I have said many times inside and outside this House, we want to be accepted as native people, not as brown white men.

Some hon. Members: Hear, hear!

Mr. Firth: Who can say this is unfair? It is pretentious to say that so and so discovered the north. Our people have survived in the harsh environment of the north for a very long time. And when the white man came, we helped him and shared with him, as is our custom. I ask, should we now be forced to take a back seat? Most emphatically I say, no!

Some hon. Members: Hear, hear!

Mr. Firth: Our people, in great numbers and with essentially one voice, said it to Mr. Justice Thomas Berger. That point is extremely important, Mr. Speaker. He listened to our views, and was made aware of this sentiment. He was made aware of the fact that central to this feeling was the feeling of the people that they need to gain legal control of our land.

Please note that I used the word "legal." It is difficult for a native person to accept that he might not have control over land on which he and his forefathers have lived, hunted and fished from time immemorial. We native people realize that our destiny is tied to an important decision which must be made, the decision to settle the land claims of the people of the Northwest Territories, the land claims of the native population. We have always understood the value and worth of the land; perhaps we did not look at it in terms of ownership, as white society does. Now we are looking at it with different eyes. First of all we are now thinking of owning the land, which was not our concept in the past. We now realize that only if we own the land can we achieve the necessary control. Only that way can we control the direction of our lives and the direction in which we want our society to go. In this respect I suggest that we want no more than the rest of the Canadian population wants.

We also understand that in future we may take our wealth from the land in a manner different from that of the past. I do not think I can improve on the words of Mr. Justice Thomas Berger who said, on page 18 of his report:

> Native society is not static. The things the native people have said to this inquiry should not be regarded as a lament for a lost way of life, but as a plea for an opportunity to shape their own future out of their own past. They are not seeking to entrench the past, but to build on it.

There are those who feel that the land claims could be settled even if the pipeline went ahead. I disagree. With the examples of James Bay and other examples behind us, the native people believe that land claims must be settled first. With this Mr. Justice Berger concurs. Frankly, given all the implications of the question, I fail to see how any fair minded person can disagree.

Mackenzie Valley Pipeline

Those who say we should proceed at once with a pipeline also argue that the economic development of the north depends upon such immediate action. With such a view, as well, I must disagree.

We need to look at some basic questions. What would be the real impact of the pipeline, in a purely economic sense? Certainly there is a lot of money involved. But in return for the incredibly large capital outlay, what are the long-term prospects? Aside from anticipated, increased exploration activity along the pipeline, which would add considerably to the environmental and social impact, what, I ask, would be the effect on substantial economic development? We must be realistic. It is proposed that the line will carry gas, and perhaps eventually oil, to the south, the implication being that no spin-off industries are to be expected. And what of the construction companies, hotels, restaurants, supermarkets and so on which could spring up? How many enterprises of such magnitude can we expect will be established? I agree with the words of Mr. Justice Berger, who said:

> . . . the Mackenzie Valley pipeline could produce a serious distortion of the small business sector of the Northwest Territories. This would raise problems for the orderly development of regional, economic and commercial activity in the long run.

That is why I say we cannot afford to put blinkers on when looking at this proposal. We cannot and must not be short-sighted. There is far too much at stake. It would be an illusion—we would really be fooling ourselves—if we thought the pipeline would solve our economic problems.

Finally, I wish to state again my support for the recommendations against the building of the proposed Mackenzie Valley pipeline. Further, I wish to add my conditional support to the proposed Alcan route. I say conditional, because many questions must be considered. The main condition, of course, would be the settlement of native peoples land claims in the Yukon. So my support is conditional, since many questions affecting the area must be considered before a final decision can reasonably be made. However, my own initial view is that the Alcan route seems to be a more suitable solution. A gas pipeline can be built in Alaska; you could hook it up with a new pipeline to run through the Yukon, along the Alaska highway. Later on it might be feasible to run a pipeline from the Mackenzie Delta, along the Dempster highway, to tie in with the proposed Alcan gas pipeline, which could be used in future to move Canadian gas from the proven fields of the Mackenzie Delta. I suggest that the environmental impact of that proposal would be somewhat lower, and the infrastructure already exists along the proposed route for accommodating more conveniently the venture. However, I point out that even if we should move in that direction, many issues remain to be settled.

I want to see assurances that any pipeline built would not be built solely for United States interests. I want to see Canada maintain control over any such pipeline. Also, before any money is spent, I want to see some hard-nosed negotiations take place to ensure a good deal for Canada. Further, if the venture is proceeded with, I want to see a provision calling for a period review—say every five years or so—of any deal made

with respect to a pipeline carrying gas or oil to the United States through Canada.

In summary, I believe, first, that we must determine what are our energy needs and resources. It is important to get a true picture. I suppose I am concerned about this because, in the past, the petroleum industry has exhibited what could fairly be called a credibility problem.

Mr. Benjamin: That's putting it mildly.

Mr. Firth: Next, we must look at the best way to reconcile this need with the interests of the north and northern people. That is simple enough to say but more difficult to do. It took Mr. Justice Berger almost three years to get this excellent report together. And what is one of his most important recommendations, Mr. Speaker? It is that the pipeline should be postponed for ten years, which would allow for the settlement of land claims and the establishment of new programs and institutions. That is the heart of the matter, and the heart of the motion before the House.

● (1510)

If we were faced with a graver energy crisis than we are confronted with now, the decision we would have to make would be even tougher than it presently is. However, I believe that we may still have a few years to decide. I think we should take time to work out the best possible solution. Anything less would be almost criminal.

We must get a perspective on this matter. There are many issues to take into consideration. I am against the pipeline, but I would like to see more jobs for the people of the north. I do not want to hold up economic development, but I want to see land claims settled. So, where does this leave me? And where does it leave those on the government side?

I say to you, Mr. Speaker, that Mr. Justice Thomas Berger has helped us in our job. He has given us an honest, straightforward, intelligent and comprehensive report. It is now our responsibility to go from here. I feel it would be less than responsible for anyone not to give this report his wholehearted endorsement.

Another point I would like to make is that I have run in two federal elections in the Northwest Territories, 1972 and 1974. A major plank in my platform in both elections was that there be no Mackenzie Valley pipeline built until such a time as the native claims are settled. I won both elections.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Possibly the minister will allow the Chair to make the ruling which had been deferred upon the amendment moved by the Leader of the Opposition (Mr. Clark). The decision was reserved at the time the amendment was proposed.

I wish to thank hon. members, in particular the hon. member for Grenville-Carleton (Mr. Baker), who attempted to enlighten the Chair as to the judgment to be passed on the amendment moved by the Leader of the Official Opposition to the motion moved by the hon. member for Oshawa-Whitby (Mr. Broadbent). That motion reads as follows:

> That this House urges the government to accept the principal recommendation of the Berger Report that no pipeline be built in the Mackenzie Valley for at least ten years.

The amendment offered by the Leader of the Opposition reads as follows:

> That all the words after the word "government" be struck out and the following substituted therefor:
> "to appoint a special committee of the House to consider the recommendations of the Berger Report and all other reports, studies and recommendations relevant to the building of a northern pipeline, and the method of settlement of native land claims and urges that no commitment in principle be made to build a northern pipeline without parliamentary approval."

The Chair at this time must make a decision on the relevancy and acceptability of the amendment. In so doing, it must look very carefully at the amendment in terms of its relevancy to the main motion.

In this particular case we have before us a motion, the subject of which is very clear. The motion asks the House to accept a particular recommendation of the Berger Report. That is very definite in the motion put forward by the hon. member for Oshawa-Whitby (Mr. Broadbent).

On the other hand, the amendment seeks to widen the scope of the debate. The hon. member for Grenville-Carleton says there is nothing wrong with that. The amendment seeks to widen the scope of the debate by asking the House, not simply to accept or reject the proposition contained in the main motion, but to consider whether the Berger Report ought to be studied by a committee of this House. That was not part of the main motion. To my mind this is a new proposition. The motion proposes the acceptance of the main recommendation of the Berger Report while the first part of the amendment proposes referring the Berger Report to a committee of this House for study.

While I can have sympathy with hon. members who feel we ought to proceed in this way in the sense of going through a thorough examination of the report before making a decision, I cannot overlook the fact that the amendment states that the proposed committee also study "all other reports, studies and recommendations relevant to the building of a northern pipeline". It seems that the amendment travels even farther beyond the rather narrow confines of the motion.

I am, of course, aware that these matters are all closely connected and related to the issue raised by the main motion. However, I am rather uncertain about their relevance to the subject matter of the motion which is a definite and specific request to this House to accept a recommendation of the Berger Report.

I can say the same about the third subject dealt with in the amendment, the bringing in of the settlement of the native land claims. Clearly it is an issue related to the broad area of the Berger Report and the northern pipeline, but I have difficulty seeing it, in the procedural sense, as relevant to the very narrow proposition contained in the main motion.

The hon. member for Grenville-Carleton complained about the fact that hon. members have the right to move an amendment, and the Chair should not in its decision preclude any members from doing so. I referred to that point in my previous comments. The Chair has one main function, that is, to apply the rules and regulations of this House and make judgments, not on the judgments of hon. members on subject matters, but in the application of these rules.

The hon. member denied the fact that his motion was an expanded negative or was not relevant. I feel that this is a question of opinion, especially in the perspective in which he is putting his argument. He referred to his amendment as a relevant modification. This I have to admit is quite the fact, that the amendment is directly related to the report and to the construction of a pipeline in the north of Canada, but that is quite far from denying the fact that the amendment is not a new proposition.

Finally, however, the amendment proposes that the House pronounce itself on the proposition that no commitment in principle be made for or against the building of a northern pipeline without parliamentary approval. In my view this is clearly a new proposition. The main motion asks the House to make a decision on a recommendation which could delay for ten years the construction of a pipeline. The official opposition proposes to refer the subject matter and all related subjects to a committee. Finally, it adds a limitation to the decision of the House, a limitation which makes it subject to a future parliamentary approval. In my view this is clearly a new proposition and beyond the scope of the original motion. It is the kind of proposition which the House might want to debate some time; however, according to our rules it cannot be debated as an amendment, but only as a motion. As I say, it introduces a new proposition—I refer particularly to the words "and urges that no commitment in principle be made to build a northern pipeline without parliamentary approval." Because of all these considerations, it is impossible for me to accept the amendment.

● (1520)

Mr. Baker (Grenville-Carleton): Thank you, Mr. Speaker. I do not wish to take the time of the House—

Mr. Peters: Then sit down.

Mr. Baker (Grenville-Carleton): I listened carefully to the points Your Honour has made, and I am rising merely to seek clarification. Your Honour may have been greatly moved in your consideration of this matter by the words "and urges that no commitment in principle be made to build a northern pipeline without parliamentary approval" on the ground that they imposed a new principle. If that is the case, and bearing in mind it has been the consistent hope of the official opposition that the House will be able to pronounce itself on the establishment of a parliamentary committee, I wonder whether the Chair would reconsider its judgment if I were to indicate that the removal of the phrase to which I have referred would certainly be acceptable to us.

Some hon. Members: Oh!

Mr. Baker (Grenville-Carleton): I say this because it has been a consistent hope of the official opposition that the whole question of the pipeline together with all these reports ought to be considered by a parliamentary committee.

An hon. Member: The Chair has ruled on it.

Mr. Baker (Grenville-Carleton): Despite the chit-chat from the noisy rump down there, I advance this suggestion, not in any way to question the judgment of the Chair, but to seek clarification.

Mr. Deputy Speaker: I might, of course, have referred during my judgment to some of the precedents mentioned by the hon. member. I have them in front of me and the majority of them refer to cases in which the purpose of the amendments proposed was to narrow the subject matter of the motion. In this case we are clearly widening the scope of the subject matter. My reference to the words mentioned by the hon. member does not mean that the consideration of relevancy is less important. The hon. member will agree with me that the reaction of hon. members while he was seeking to convince the Chair and the House that there might be some kind of agreement possible to remove the latter part of the amendment was not entirely favourable. As he knows, this could only be withdrawn by unanimous consent; the hon. member does not have the floor, and it is my judgment that such consent would not be forthcoming. The only alternative left to the hon. member would be to put forward a further amendment while another speaker has the floor. At the same time, there would still be grounds for refusing the amendment and I suggest that the course the hon. member has in mind would not alter the decision of the Chair.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I open my remarks by saying that I listened carefully, as always, to the hon. member for Northwest Territories (Mr. Firth). He is a man who speaks from experience, and obviously he is a very articulate spokesman within his own caucus. He is probably responsible for the decision of his party, even earlier than today, to take exception to the building of a pipeline through the Mackenzie Valley. Perhaps this is related to his election promise. I do not know.

I was encouraged by his statement that he was very anxious to obtain a better understanding of the country's energy needs. He was clearly keeping the matter within a national context when he made that comment. It seemed to me he was making the case which the government has made in this debate—that until the report of the National Energy Board has been submitted, and until parliament has had an opportunity to discuss the matter, we cannot be sure what those energy needs are.

At the same time I was discouraged by what I can only describe as the "shoot from the hip" attitude of some members of the official opposition. I regret that this particular tactic, one which they have followed with great success in recent

times, should have had the effect of preventing more members from taking part in the debate today. A great deal of time has been used up dealing with procedural matters. Fortunately, we have got that amendment out of the way.

Some of us on this side were amazed by the suggestion that a committee be formed to deal with this matter. Mr. Speaker, when those of us who are interested in energy matters attend meetings of the committee on national resources we sometimes have to wait for as long as 50 minutes after the time officially appointed for the meeting to begin before one member of the official opposition turns up.

Some hon. Members: Oh!

Mr. Gillespie: We hear a lot of noise from the other side about the need to discuss these energy issues, but when a committee is set up to do so we have to wait for 50 minutes for one of their members to turn up.

Mr. Baldwin: On a point of order, Mr. Speaker, the minister should know the rules well enough to realize that Your Honour has ruled against the amendment. It should not therefore be discussed. If the hon. gentleman has any reasonable contribution to make, let him make it now.

Mr. Gillespie: Perhaps the hon. member will be able to persuade some of his colleagues to show a greater interest in energy matters. His own chief energy critic—I do not know whether he made an error or not, but the record will show it—said that if the Leader of the Opposition (Mr. Clark) were the prime minister of this country—

An hon. Member: A natural slip!

Mr. Gillespie: The hon. member said that if the Leader of the Opposition were prime minister he would abolish the National Energy Board.

Some hon. Members: Oh!

Mr. Gillespie: Are we to take that party seriously?

• (1530)

The hon. member for St. John's West (Mr. Crosbie) said that if the Leader of the Opposition were Prime Minister he would abolish the NEB. Now, I ask you—

Mr. Paproski: You know that is a lie, Alastair.

Mr. Baker (Grenville-Carleton): I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The hon. member for Grenville-Carleton is rising on a point of order.

Mr. Baker (Grenville-Carleton): With respect, Mr. Speaker, the remarks which were made just now by the Minister of Energy, Mines and Resources (Mr. Gillespie) were the worst form of pettifogging that I have heard in a long time. The Minister of Energy, Mines and Resources knows, because he was here, that the record was corrected, and corrected properly, and he ought not to leave that impression. Perhaps he will enhance what little reputation he has by getting on with the debate.

Mr. Gillespie: I am very pleased that the record was corrected, Mr. Speaker, but I point out it was corrected by a member on this side. I believe the Leader of the Opposition has also corrected the record as far as his remarks on Monday night are concerned.

Mr. Baker (Grenville-Carleton): You have no record to correct.

Mr. Gillespie: We are dealing here with an important national question, one particularly important to the people of the north. If I may have the attention of hon. members opposite I should like to make a few remarks in respect thereto.

I believe that Mr. Justice Berger's report was one of the most significant the country has received and will certainly set a new standard in terms of its approach and its impact. I very much appreciate the work that the author has done, because I think he has done his job well. Indeed I think his eloquence in the report speaks for itself. I am sure that both he and the many people who appeared before his inquiry will want this House and all those who are interested to take longer than the four days that we have had since his report was made public to digest what he said, to reflect upon it, and to reach our own conclusions respecting the many complex and difficult issues that he has addressed.

He dealt, as we know, with two main questions, the question of the impact, social and environmental, and the economic impact. He dealt as well—and this part has yet to be completed—with some of the conditions that should be imposed in the event that a decision is made to have a pipeline down the Mackenzie Valley.

He did not deal, of course, with another issue, a very important issue, nor was he asked to deal with it, that is, the question of the national interest. That is why the National Energy Board report is so important. Parliament assigned this equally difficult responsibility to the National Energy Board and it is still in the process of conducting its inquiry, with a report expected early in the month of July.

As the House knows, the government has consistently taken the position that a decision on whether it would be in the Canadian interest to approve a northern gas line at this time should be taken once all the evidence is before it, and that it would be premature to reach a conclusion until all issues have been examined in depth and set out fully so that they can be assessed together. There was never any doubt, at least in the mind of the government, that a northern pipeline along whichever route might seem desirable could have significant consequences for the lives and futures of the people living along the route. It was, in fact, that very concern which prompted the Mackenzie Valley pipeline inquiry in the first place.

There is, however, another very grave concern, and that is the energy future of this country, and the role that frontier

natural gas, particularly delta gas, can and should play in meeting future energy requirements. The government over the past few years has heard from many groups asserting that northern natural gas would be required to supply southern Canadian markets within a relatively short time period, and in fact an earlier report of the National Energy Board has indicated that natural gas supplies from western Canada, while adequate for today's needs, may not be sufficient to meet future demands. The government was not prepared at that time to conclude on the basis of these concerns that a pipeline from the delta would necessarily be the best or only solution to our future energy requirements. This can be done only after the National Energy Board has had an opportunity to assess fully each of the proposals now before it, and to present its decision and reasons for reaching that decision on the basis of the evidence it has heard.

I think we need to look at some of our concerns respecting our energy future. We have just entered into a period where our total net imports of crude oil exceed our total net exports. We are therefore becoming more and more dependent on imported oil to meet our future energy requirements. This comes about not solely because of growth in demand but also because of declining supplies and deliverability of crude oil from western Canada. We can in the short term count on imported oil, but there is no basis realistically for thinking that we can do so for very long.

For reasons of national security, and in order to reduce our exposure to a price system established outside Canada, we have adopted a target to limit our total crude oil imports to one third of our total consumption by 1985. We will not reach that point for some years yet, but with greater conservation, and the development of our own petroleum resources, oil and natural gas and other substitute fuels, we will exceed that target.

That is not to say that delta gas is our only source or the only solution to new supplies, but we must assess whether, in looking to the long term, we can afford to reject the opportunity now presented to us to bring that gas within a known time frame to Canadian markets. There may be many Canadians who are not concerned with the balance of payments implications and with growing dependence upon foreign countries. It has been estimated that our dependency on foreign oil requirements is of the order of $4 billion to $5 billion a year. It seems to me that all Canadians should be able to understand the question: what do we do when that offshore oil is no longer available to us, or indeed to others?

I agree that this is obviously an important and constructive approach to the problem, but it is not a solution. All it can do is help reduce the size of the problem. We may very well be able to reduce our energy consumption to 2 per cent growth, which is roughly a zero rate of growth per capita, something which "An Energy Strategy for Canada" set out as a possibility a year ago. Over that period of time I have repeatedly referred to this, and I was particularly interested to see that the United States energy policy contemplated the same kind of target.

We are going to be increasingly pressed to develop our own supplies, our own substitutes, for the reasons I have given and for the reasons which President Carter gave his own people not very long ago when he set out the stark realities and talked to the United States people about their energy future. We have little enough time to put our own house in order. If we were to set aside, for a period of ten years for example, projects and plans which would help provide future energy for Canada, we could be losing a very significant opportunity. If we are not prepared to face that head on, to look at the disastrous consequences of an energy shortage ten years hence, which implies greater unemployment and greater inflation, then we will be derelict in our duty. For that reason it is important we await the views and the judgment of the National Energy Board before reaching a conclusion on this aspect of our energy needs.

● (1540)

It may be that through alternate sources of energy, such as the Athabasca tar sands, the Cold Lake deposits and other heavy oils, Arctic Islands natural gas, renewable solar energy and coal gasification, we can make up for the predicted shortfall of our oil and gas requirements. I am leaving aside, for the moment, our requirements for electrical energy. It is true we do have these options but, so far as I know, none is lower in cost than delta natural gas at this time. Each of these options, moreover, has its own particular set of difficult issues, economically, socially, and environmentally.

Mr. Stanfield: Which side of this are you on, Alastair?

Mr. Gillespie: If there were delays in bringing natural gas down from the north, we would be forsaking one of the options we have before us. It is not clear that the next major option, the development of the tar sands and heavy oil, can be done at a pace which would fill in the shortfalls that otherwise would occur in Canada. This point was made very clear by Mr. Getty, the Alberta energy minister, as recently as two days ago. We have got to use time between now and this summer to assess the many points made by Mr. Justice Berger in his report. These are points with respect to the importance of trapping, hunting and fishing employment levels which one can hope to obtain for those in the area. We also have to address ourselves to such questions as: what about the young people who are leaving the school system? Will they all be interested in becoming hunters and trappers? How many will be able to find a livelihood from such pursuits? Will some not seek a greater variety of challenges and opportunities to enter an industrial economy?

Mr. Hnatyshyn: They will probably be the next ministers of energy, mines and resources.

Mr. Clark: Tell us about the buffalo.

Mr. Gillespie: Mr. Speaker, I suggest we need to reflect upon Mr. Justice Berger's landmark report. Four days is too soon for such a purpose. I believe Mr. Justice Berger would want us to understand thoroughly what he is saying, to know

what we would be accepting if we adopted his recommendations and approach, and in fact be prepared to give full support to the implementation of his ideas and suggestions for the north—

Mr. Deputy Speaker: Order.

Mr. Paproski: Order.

Mr. Gillespie: Thank you, Mr. Speaker.

[*Translation*]

Mr. Deputy Speaker: Order, please. It being 3:35 p.m., it is my duty to interrupt proceedings and to put forthwith every question necessary to dispose of the supply proceedings now before the House under the provisions of Standing Order 58(9)(a).

[*English*]

The question is on the motion of Mr. Broadbent. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Carried.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

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

● (1550)

(*Division No. 45*)

YEAS

Messrs.

Benjamin
Blackburn
Brewin
Broadbent
Caouette
Douglas (Nanaimo-Cowichan-The Islands)
Firth
Gilbert
Hogan
Knowles (Winnipeg North Centre)
Leggatt
Nystrom
Orlikow
Peters—14.

(*Division No. 45*)

NAYS

Messrs.

Abbott
Allmand
Anderson
Andras (Port Arthur)
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Baker (Grenville-Carleton)
Baldwin
Balfour
Basford
Bawden
Beatty
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Breau
Brisco
Buchanan
Bussières
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clark (Rocky Mountain)
Clermont
Collenette
Condon
Corbin
Cossitt
Crosbie
Crouse
Cullen
Cyr
Danson
Darling
Daudlin
De Bané
Demers
Diefenbaker
Dinsdale
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Epp
Ethier
Faulkner
Flynn
Forrestall
Foster
Fox
Francis
Fraser
Friesen
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goodale
Grafftey
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Harquail
Herbert
Hnatyshyn
Holt (Mrs.)
Horner
Howie
Isabelle
Johnston
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Lawrence
Leblanc (Laurier)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacDonald (Egmont)
MacEachen
MacFarlane
MacGuigan
Marceau
Marchand
Marshall
Martin
Mazankowski
McCleave
McIsaac
McKinnon
McRae
Milne
Muir
Munro (Hamilton East)
Murta
Neil
Nicholson (Miss)
Nowlan
Oberle
Olivier
O'Sullivan
Ouellet
Paproski
Parent
Pelletier
Penner
Philbrook
Pigott (Mrs.)
Portelance
Poulin
Railton
Raines
Reid
Richardson
Roberts
Rompkey
Rooney
Roy (Laval)
Sauvé (Mrs.)
Smith (Churchill)
Smith (Saint-Jean)
Stanfield
Stevens
Stollery
Tessier
Towers
Turner
Watson
Wenman
Whelan
Whiteway
Whittaker
Woolliams
Yanakis
Yewchuk—159.

● (1600)

Mr. Speaker: I therefore declare the motion lost.

Pursuant to the order made earlier this week, and it being after four o'clock, this House now stands adjourned until Monday next at two o'clock in the afternoon.

At 4.10 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Monday, May 16, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

REQUEST FOR NEW MEASURES TO DEAL WITH INFLATION AND UNEMPLOYMENT—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the consensus at the recent summit meetings that inflation and unemployment are priority problems, Canada leading in the latter category and being a strong contender in the former, I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That the Prime Minister make a statement on motions of new initiatives, if any, of the government to deal with these severe Canadian problems rather than pirouetting around the difficulties of our country.

Mr. Speaker: Presentation of such a motion pursuant to Standing Order 43 can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

* * *

ANTI-INFLATION PROGRAM

EXCESSIVE SALARY INCREASE GRANTED TO PRESIDENT OF KAISER RESOURCES LIMITED—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion under Standing Order 43. If anyone is opposed to the presentation of this motion I hope he will identify himself clearly. I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House, noting that the President and Chief Executive Officer of Kaiser Resources Limited received a pay increase in 1976 of $60,363, while the employees of his companies were held to a 6 per cent increase in their hourly wage, and noting also that this massive increase of $60,363 was approved by the Anti-Inflation Board, expresses its sense of outrage and calls on the government to insist that restraint should apply to those at the top, not just to those in the lower and middle income brackets.

Mr. Speaker: Order, please. The provisions of Standing Order 43 require that for the presentation of such a motion for debate the unanimous consent of the House is required. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Knowles (Winnipeg North Centre): Who said no to that?

* * *

● (1410)

MANPOWER

MEASURES TO PROVIDE ALTERNATIVE EMPLOYMENT IN VIEW OF CLOSURE OF LABRADOR LINERBOARD MILL—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I, too, wish to move a motion under Standing Order 43 on a matter of urgent and pressing necessity which I am sure will be given consideration. The continuing and rapid deterioration of the economic structure of the Port au Port and Bay St. George area in western Newfoundland, as a result of the impending closure of Labrador Linerboard Mill which will affect some 2,100 jobs directly or indirectly, demands more than the passive action presently being directed toward that part of Canada. I therefore move, seconded by the hon. member for Egmont (Mr. MacDonald):

That this government orders that an immediate review of decentralization policy affecting the province of Newfoundland be carried out to consider the western sector of that province in order to provide alternative employment, a sensible direction of policy which is justifiably in line with government objectives, and existing infrastructure.

Mr. Speaker: Order, please. Pursuant to Standing Order 43, such motion can only be presented for debate in the House with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADA SUMMER GAMES

SUPPORT FOR HOLDING OF GAMES AT ST. JOHN'S, NEWFOUNDLAND—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise under Standing Order 43 on a motion of urgent and pressing necessity. In view of the new addition to the Prime Minister's (Mr. Trudeau) family, and I refer to the Newfoundland dog, Rideau '77, presented to him and his family today by the Summer Games Committee,—I promise no barking or yapping at the government today, because of the occasion—

Some hon. Members: Hear, hear!

Mr. Crosbie: —I move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That this House supports the holding of the Canada Summer Games in St. John's, Newfoundland, during August, 1977, congratulates the committee on the preparations made for the holding of the games and urges all members of parliament to attend the games in St. John's, during August, when Newfoundland hospitality will assure them a visit not to be forgotten.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I have no hesitation in recognizing the importance of the motion, its desirability and its cordial terms, but have some doubts about its urgency and pressing necessity.

* * *

[*Translation*]

SPORTS

CONGRATULATIONS TO LES CANADIENS HOCKEY TEAM ON WINNING STANLEY CUP

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity.

Considering that on Saturday May 14 the Canadiens won a brilliant victory and once again carried off the Stanley Cup, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That congratulations be sent to the directors, coach and players for their success and for the fine way in which they contribute to the international prestige of Canada in the world of hockey where their fame is proverbial.

Mr. Speaker: Order. For exactly the same reasons stated about the previous motion, I naturally refuse to put the question to the House under Standing Order 43.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INCREASE IN LEVEL OF UNEMPLOYMENT IN ATLANTIC AREA—GOVERNMENT ACTION

Mr. David MacDonald (Egmont): Mr. Speaker, my question for the Prime Minister relates to the original commitment made by this government, and repeated on occasion, with respect to the importance of eliminating regional disparities across Canada. In view of the fact that since 1970, the year after the Department of Regional Economic Expansion was created, the differential in the unemployment level between the Atlantic area and the rest of Canada has risen from 8.7 per cent to something like 55 per cent last year, in the province of Quebec 37 per cent fewer jobs have been created during that same period as compared with the rest of the country, can the Prime Minister say how seriously the government views this alarming growth in disparities between the five eastern provinces and the rest of the country, and, particularly, what steps are being taken to establish priorities which will substantially turn that direction around, so that these disparities may be substantially eliminated and not increased, as they have been during the past half dozen years?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government of course views this situation with considerable concern, because many hundreds of millions of dollars have been put into the Maritimes and the eastern parts of the country in order to correct some of the traditional, structural imbalances in this country. I remind the hon. member that in the budget, as recently as one month ago, we took specific fiscal steps in order to add to our effort to correct this imbalance.

Mr. MacDonald (Egmont): A supplementary question, Mr. Speaker. Neither the Minister of Finance nor the Minister of Regional Economic Expansion have been able to indicate even one specific job created as a result of that specific fiscal measure. I point out that the recent Ontario budget indicated a net balance of trade deficit with the Atlantic provinces of some $1.5 billion, this indicating a loss of some 60,846 jobs from the Atlantic region. Can the Prime Minister indicate whether these figures have been studied by himself or any of his ministers? What steps are being taken generally to co-ordinate overall government policy with respect to regional disparity, or has it been just a one-shot affair under one department which is now fading into oblivion?

Mr. Trudeau: Mr. Speaker, I feel I can presume to say these figures must already have been drawn to the attention of the ministers. Lest they have not been, I will ensure that they are.

Mr. MacDonald (Egmont): Mr. Speaker, inasmuch as in the Speech from the Throne last fall, which I am sure the Prime Minister will recall, there was no specific reference to the need for reform of the Regional Development Incentives Act, a program which has been part and parcel of the government since 1970 and which has now been reduced in terms of budgetary funds and restricted because of its rigid structures, so much so that it has been renegotiated with three separate provinces in terms of separate development agreements, can the Prime Minister indicate if he has instructed either the Minister of Regional Economic Expansion or any other minister to develop permanent job creation programs so that the economy in these five eastern provinces can begin to function as they should?

Mr. Trudeau: Mr. Speaker, the hon. member is assuming that such steps have not already been taken. I am sure the hon. member is aware of the very, very considerable funds which have been spent in those provinces and which indeed have created jobs. The reality is that they have not created jobs at the rate we would like and we will find every other way we can to increase this rate.

[*Translation*]

REGIONAL ECONOMIC EXPANSION

REASON FOR DELAY IN NEGOTIATING AGREEMENTS WITH THE PROVINCES

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I would like to direct a supplementary question to the Minister of Regional Economic Expansion.

Since Quebec and British Columbia complain about the length of time his department is taking before concluding regional economic development agreements related to particular projects in the two provinces, can the minister explain the reasons for this delay and the nature of problems delaying the signature of such agreements?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I would not want to go into the details of small difficulties that can arise during our negotiations, because that would take too much of our time, but I can say to the hon. member that at last two agreements have been signed recently with the British Columbia government. Another one will probably be signed and announced in the very near future, and I hope that discussions going on on two other very important matters for the British Columbia economic development will be concluded within the next few weeks and that we will be able to announce the signature of another agreement in this field.

INQUIRY WHETHER GOVERNMENT WILL PROCEED WITH QUEBEC PROJECTS AGREED TO BEFORE NOVEMBER 15

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, in view of the reservations and objections the legislative programs of the independentist government of Quebec have given rise to throughout the country, can the minister tell the House whether all the projects his department was engaged in prior to November 15 last in Quebec are being pursued according to the original time table and whether their respective budgets are being spent without restrictions?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I can assure the House and the hon. member that the programs we had undertaken with the provincial government prior to last November's election are being implemented as planned, except for very few minor details which have nothing to do with the change of government. Minor adjustments, we always run into in developing and implementing those agreements with the various provincial governments. In short, no major changes or problems have developed in the application of the current programs with the province of Quebec.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, if I understood the minister correctly, he indicated to the House that some agreements involve problems. Can the minister be specific about those?

Mr. Lessard: Mr. Speaker, no: I did not say there were problems. In every agreement, a provision allows for adjustments in the sense that for instance, the two governments agree to do certain things under a secondary agreement and it is understood that in the course of its implementation, at the request of the provincial government, we will accept minor changes. There have been a few of those but only of minor importance which are not even worthy of mention. In short, I can say that no serious problem has come up.

[*English*]

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question was for the President of the Privy Council. I notice he has just stepped out of the chamber, temporarily I hope. Possibly I might have permission to postpone my question.

● (1420)

[*Translation*]

INQUIRY WHETHER TERMICA SILICE LIMITÉE WILL OBTAIN GRANT—MINISTER'S POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is for the Minister of Regional Economic Expansion.

As House leader of the Social Credit Party and considering the present political and economic context in the province of Quebec—I hope the minister will understand the importance of my question—and considering also that Termica Silice Limitée whose head office is located in Noranda, in the riding of Témiscamingue, made an application for a subvention to allow it to exploit a natural resource of the area, while creating a certain number of jobs, can the minister tell the House whether this company will get a favourable answer within a few days so it can go ahead with its project?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I would like to inform the hon. member for Bellechasse, whom I congratulate for the new responsibility his group gave him, that indeed I have had the application for about three weeks now and that a few days ago I met two promoters involved in this project with whom I discussed it at length. I agreed that a representative of my department could meet them any time to get more information on the extent and the implications of their project. I hope we will soon know what we can do. The House and the hon. member will realize that the promoters sent us this application only three weeks ago.

INQUIRY WHETHER MINISTER WILL TREAT QUEBEC REQUESTS THE SAME AS THOSE OF OTHER PROVINCES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I want to ask a supplementary question.

Can the minister tell the House whether, notwithstanding what the head of the Quebec government has said about him during the weekend, he is willing to consider the requests from

Quebec on the same level as those from other provinces and to treat them accordingly?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, yes. Notwithstanding the statements made by the premier of Quebec about me last week, I must say this will not in any way change my attitude toward the province of Quebec and its citizens and that I am still willing to negotiate agreements with the Quebec government, of course within my responsibilities. I hope we can sign those agreements very soon, after our respective officials have presented and analyzed to my satisfaction the contents of those agreements. Because there is more to it than signing agreements and investing money in them: we must also make sure that what we will be doing under those agreements does meet the objectives at least we at DREE are pursuing.

POSSIBILITY OF DISCUSSIONS CONCERNING AGREEMENTS WITH QUEBEC

Mr. Adrien Lambert (Bellechasse): I have a supplementary question, Mr. Speaker.

You will doubtless understand that I am somewhat worried by the remarks I heard this afternoon on the radio, as I was proceeding from Montmagny to Ottawa. A reporter was claiming that Quebec is no longer willing to negotiate agreements with the central government unless these agreements respect the sovereignty of the government of the province of Quebec, failing which there would be no agreement signed at all. Could the minister advise the House whether any similar statement was made in his presence during recent discussions with officials or political representatives of the Quebec government? If so is he in a position to inform the House of any such statements or conversations?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I am surprised to hear of these remarks by a reporter, because the Quebec government and I never had to deal with or discuss the question of the province's jurisdiction or priorities in the sense indicated here. What we are proposing now fully respects Quebec's jurisdiction and priorities, for we are not trying in any way to stop the Quebec government from doing whatever it means to do. As a matter of fact, we are trying to accelerate the realization of projects in a number of Quebec areas about which we are especially concerned.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF CARIBBEAN DELEGATION TO COMMONWEALTH PARLIAMENTARY ASSOCIATION

Mr. Speaker: Before recognizing the hon. member for Nanaimo-Cowichan-The Islands, may I just borrow half a minute to say that, during this past weekend we conducted, I think successfully, the Canadian regional meetings of the Commonwealth Parliamentary Association and extended an invitation to representatives of the Caribbean region to join us. Our meetings were graced with a rather strong delegation from the Caribbean region. I think there was a very fruitful exchange between the two regions. We were also fortunate to have during the meetings the Secretary General of the Commonwealth Parliamentary Association, who is with us in the gallery today along with our Caribbean friends, Sir Robin Vanderfelt. May I ask Sir Robin and all our Caribbean visitors to rise for a moment.

Some hon. Members: Hear, hear!

* * *

ENERGY

NORTHERN PIPELINE—REQUEST FOR CLARIFICATION OF PROPOSAL TO DEBATE ISSUE PRIOR TO CONSTRUCTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the President of the Privy Council arising out of his statement in the House last Friday to the effect that there should be a triple veto on the construction of a northern pipeline, first by the National Energy Board, then by the government and finally by parliament. However, later in his speech the minister spoke of providing an opportunity to hear the views of parliament before any decision is taken. In order to prevent any misunderstanding, I should like to ask the minister whether he would clarify the situation and tell the House whether or not we are correct in assuming that the government is making a twofold commitment, first that when all reports have been made available there will be a debate in parliament to ascertain the views of the House, and secondly, that when the government has reached a decision with respect to a pipeline, parliament will have an opportunity to approve or reject the decision before any permit for the construction of a pipeline has been granted?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, that certainly is a succinct summary of my statement. I might add some qualifications to the interpretation. With respect to the triple veto, I said that a pipeline could not be built unless it had been recommended by the National Energy Board, by the government and then by parliament. I had not taken into account the contingency where no decision would be taken and no pipeline would be built. That is the only qualification I would make.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. In view of the fact that the National Energy Board report is expected some time in July and the right hon. Prime Minister has promised President Carter a decision by September 1, does this mean that, if parliament is recessed at the time, it will be called back into session in order to discuss the National Energy Board report and also to express its views with respect to the government's final decision whether or not a pipeline should be built?

Mr. MacEachen: Mr. Speaker, quite apart from the hon. member's reference to President Carter and the Prime Minister, I have stated that the intention of putting a motion on the order paper with respect to pipelines was to provide the House with an opportunity to express its views from time to time before final decisions were taken. That is still my view and my commitment. I realize the practical difficulty that I may have in carrying forward that commitment, but in this case I am encouraged that my commitment can be fulfilled because of the tardiness and slow passage of legislation in this House and that probably we will be here all of July.

● (1430)

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, irrespective of whether the present legislative program keeps the House in session until August, surely the minister's commitment that parliament will have the final veto power on any decision to build a pipeline requires the additional commitment that if parliament is not sitting at that time—in the month of August and prior to September 1—that parliament will be called into session in order to express its views on the decision which the government has made. Can we have that commitment, otherwise the minister talking about triple veto power is absolutely meaningless?

Mr. MacEachen: Mr. Speaker, I agree. On the triple veto scenario I posed, what the hon. member says is perfectly right. A decision taken by the National Energy Board and by the government has to be approved or rejected by parliament. It would be inconceivable that such a project can be undertaken without the specific approval of parliament. That is a view I repeat today.

I am not as certain how I relate the passage of legislation to the ongoing events that may take place in the summer—the keeping of the House and the recalling of the House. That was something that was very much in my mind and which had to be considered when I made my statement last Friday. I do not know the practical answer, but the principle still stands.

* * *

REGIONAL ECONOMIC EXPANSION

DATE OF SIGNING AGREEMENTS WITH BRITISH COLUMBIA

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is to the Minister of Regional Economic Expansion and it is related to the very serious unemployment situation which has doubled the national average both in northeastern and northwestern British Columbia. Having regard to the fact the agreement between the province and his department was signed and has never been implemented, and also having regard to the announcement the minister just made that two subagreements have been signed, both of them merely to study an already intolerable situation, is the minister in a position today to give us a more precise date as to the signing of agreements which would address themselves to the serious situation in which several of the industries find themselves? Can he tell us whether the umbrella agreement which was signed in 1974 is so out of date now that it does not really respect the priorities of the provincial officials?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, no, certainly not. The agreement we signed with the province is not out of date because the basic potential of the province lies in the development of its resources. In those two recent subagreements we signed, there might not be a complete answer to some of the questions asked by the hon. gentleman. When one looks at what we have tried to achieve, one will see that it was to find the best solution for creating new jobs in those parts of the province of British Columbia.

The $10 million being invested under the last agreement, although it is not a huge amount of money, is certainly going to go to the real potential of one resource of this province. One of the subagreements which we have under intensive negotiation right now is addressing itself to industrial development and as such will have a broad effect. We will try, with the province, to arrive at some kind of a strategy to promote the industrial development in some parts of the province, at least.

POSSIBILITY OF THREE FURTHER AGREEMENTS WITH BRITISH COLUMBIA

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is not only supplementary to my previous question but supplementary to questions I have asked the minister and his predecessor since 1974. Would the minister confirm the fact that there are three agreements ready to be signed in British Columbia which would reflect the priorities of the British Columbia government and which would have been worked out with the encouragement of the federal department? Can he tell us what is holding up the signing of these agreements which would address themselves not only to the coal situation, which is now receiving another study, but also that of the wood converting industries and other industries in the area? I think he would agree there should be some dialogue with the senior minister in front of him so that we can finally get an answer to take home.

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I hope the hon. gentleman will be in support of the agreement we are in the process of developing and will be in support of the two agreements we have already signed because they are likely to affect his regions. What we are discussing with the government of British Columbia is in line with the priorities set by that province. I am satisfied with what we will be trying to do together, and that is to support the best proposal we can obtain.

MEASURES TO PROVIDE ALTERNATIVE EMPLOYMENT FOR THOSE AFFECTED BY CLOSURE OF LABRADOR LINERBOARD MILL

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I would like to direct my question to the same minister, taking into account another intolerable situation which exists in the province of Newfoundland. I wonder if the minister is now prepared to make a statement on what

progress he is making with regard to the impending closure of the linerboard mill which will affect up to 2,100 jobs. Is he now prepared to show some flexibility in the directions of the DREE policy in order to be able to combat this disastrous situation which occurred?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, in the case of the Labrador Linerboard mill, unfortunately I do not see how we can give enough flexibility to any of DREE's policies to match the need and challenge of that particular case. Unfortunately, this is a case where, no matter what DREE tries to do, we will not be able to achieve taking over this particular firm which the province took over a few years ago but has not been able to find a way to get it on its feet because of marketing difficulties and the kind of products this factory was putting out. We will probably have to find some other product or some other company which might be interested in buying out this facility, bringing in new machinery to turn out a new product. That is obviously going to take a long time. It will require a complete change in approach. I hope we will be able to approach the province and succeed in rectifying the problem. At this point there is no good news that I can report.

Mr. Marshall: Mr. Speaker, in view of the answer the minister gave me and in view of the fact there is no easy solution, I wonder if the minister would be prepared to decentralize segments of the Department of Regional Economic Expansion now existing in Newfoundland to show a physical presence in order to enable him to look at new initiatives, to rehabilitate present industry still existing and also to create new industry in line with the infrastructure which exists in that part of the province?

Mr. Lessard: Yes, Mr. Speaker, I have had under consideration for some time a possible decentralization of our offices in Newfoundland and some other parts of the country. I will probably be making a decision very soon to extend some of our services by having offices opened in other parts of the province of Newfoundland.

EFFECT OF CUTBACK IN AIR CANADA SERVICE ON DEVELOPMENT OF ATLANTIC AREA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. Since the minister admitted recently he was not sure of the implications that Air Canada's cutbacks in service might have on the potential development of Atlantic Canada, will the minister explain this lack of knowledge in view of the commitment made by the government, at the urging of our party, that regional economic development would be made possible by transportation as a tool for this purpose? At the same time, could he assure us the commitment made by his predecessors is still in effect?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, reduction of service by Air Canada will not greatly affect the economy of that province, although it will affect it to some degree. What we need to help the industry out there is much better ground communication facilities and not better airline facilities. I suppose a better railway system, a better road system and a better tariff system will help those manufacturers move their goods to the centre of Canada. That will be much more appropriate than a few airline tickets.

• (1440)

REASON FOR FAILURE TO DEVELOP HYDROELECTRIC SITES IN ATLANTIC AREA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I appreciate the minister's answer, but on this business of coordination with other departments, something on which his predecessors were quite strong, why in the energy field is there no real emphasis within the departments as far as general development agreements are concerned in such essential cornerstone projects as energy to create long-term assets so that we could alleviate the job problems and get assets which would be of some value in the future? I ask this keeping in mind that there are two potential hydroelectric sites in Newfoundland, 20 in Labrador, 5 on the Saint John River in New Brunswick, 5 in eastern Quebec as well as the Fundy tidal project, none of which are being developed, which, it seems to me, would be appropriate in the circumstances.

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, that matter of hydroelectric resources development in Newfoundland and that part of Labrador has been considered extensively by the Newfoundland government of course but also by our department and the Department of Energy, Mines and Resources in Ottawa, and we have agreed on a certain strategy. We have recognized the potential, as well as some of the difficulties inherent in the development of that potential. Again very recently two of my colleagues and some ministers of the provincial government of Newfoundland have had discussions about that and we have considered what could be done in the short, medium and long term to develop those energy resources in Newfoundland to serve the province's interests but also to incorporate them in a network to serve the Maritimes.

* * *

[*English*]

REGIONAL DEVELOPMENT INCENTIVES ACT

REASON FOR REDUCTION IN BUDGET PROVIDED UNDER ACT

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I would like to direct a question to the same minister. Will the minister explain why, in a period of record unemployment, his department has cut back on its spending under the Regional Development Incentives Act, the one program which is directly aimed at permanent job creation? The DREE budget, as I understand, is up 11 per cent, but the RDIA budget is down 10 per cent.

Mr. Speaker: Order, please. That question really ought to be put to the minister when his estimates are before the standing committee.

* * *

[*Translation*]

PUBLIC BUILDINGS

POSSIBILITY OF PLACE GUY FAVREAU BEING USED TO HOUSE ELDERLY PEOPLE

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I should like to put a question to the Minister of Supply and Services.

Considering the high percentage of unemployed in the construction industry in Montreal, that is 40 per cent, and since this high rate of unemployment could be considerably reduced if there were more housing starts in that region, and following the statements of the minister during the weekend to the effect that the use of Place Guy Favreau could be altered, could the minister tell the House whether the government intends to undertake the construction of Place Guy Favreau taking into account that with the co-operation with the provincial government the building could become a residence for senior citizens?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, the comments of many citizens, several commentators of the mass media and some members of this House as well as the last suggestion of the hon. member show that questions are raised about the future use and design of Place Guy Favreau. The Minister of Public Works who is ultimately responsible for that building will certainly take into consideration the various representations made to him.

* * *

[*English*]

GOVERNMENT ADMINISTRATION

REASON FOR DELAYING DECENTRALIZATION OF DEPARTMENTS UNTIL QUEBEC LANGUAGE BILL PASSED

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce, but because of his absence and because of the involvement of the Prime Minister in this matter, I will put my question to the Prime Minister. I welcome him back to the House.

Some hon. Members: Hear, hear!

Mr. Muir: Regarding decentralization of government services, the Minister of Industry, Trade and Commerce indicated in his answer to me on April 26 that because of the introduction of the language bill, Bill 1, in the Quebec legislature, it appears that government action and future announcements in this regard pertaining to other parts of Canada will have to be held up. In his press conference on April 28 the Prime Minister said that, and I quote, "The minister is now waiting to see how the Act is going to come out before making any announcement on decentralization into Quebec."

Would the right hon. gentleman explain why, in so many words, the premier of Quebec indirectly by his actions is going to decide if decentralization is to go to other parts of Canada, particularly Cape Breton Island, and why does the government not proceed with its plans for decentralization to other parts of Canada and deal with Quebec when the minister sees, to use his own words, "what is going to happen on that score," namely, Bill 1?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure when the hon. member hears the eventual announcement by the minister, he will understand that decentralization is not only a very complicated package but an intricate one as well, and it means affecting various departments of government. They are all interlinked. Any decision which would move people in one direction in one province is not irrelevant to other moves, and we want to have a total picture of the possibilities before making that statement. That seems to be a very sensible way of proceeding.

Mr. Muir: Mr. Speaker, I appreciate the explanation of the right hon. gentleman as far as it goes, but in view of the fact that the right hon. gentleman also said, and I quote, "There would have been hundreds and thousands of jobs moving around the country and in Quebec in particular" why should Rene Levesque be making the decision as to whether the unemployed on Cape Breton Island may be given an opportunity for jobs? Why does the government not go ahead, in view of what has been said, with what can be done in other parts of Canada?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, if I may add—

An hon. Member: What do you know, Charlie McCarthy.

Mr. Poulin: —to the previous answer, the Minister of Industry, Trade and Commerce said in the House last Friday that he had been in touch with Premier Alex Campbell of the province of Prince Edward Island on Friday last. Mr. Campbell assured him that when public servants were moved from this community to Prince Edward Island, there would indeed be Francophone education available for their children. He went on to say that he wished Premier Levesque of the province of Quebec would provide at least equal service for Anglophones moved into his province.

Some hon. Members: Hear, hear!

Mr. Paproski: What's that got to do with the question?

Mr. Muir: You've got the wrong island.

Oral Questions

ANTI-INFLATION PROGRAM

EXCESSIVE SALARY INCREASE GRANTED PRESIDENT OF KAISER RESOURCES LIMITED—GOVERNMENT ACTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the Minister of Finance may I direct a question to the Prime Minister? In view of the disclosures in a Canadian Press report today to the effect that the head of Kaiser Resources Limited received a pay increase last year of over $60,000 and that the heads of other companies such as Massey-Ferguson, Bell Canada, Northern Telecom, Candel Oil, Canadian Homestead Oil, Imperial Oil and others received pay increases last year ranging from $10,000 to $22,000 a year, will the government take serious steps to see that the policy of restraint applies to those at the top the same as it does wage earners and others in the middle and lower income brackets?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I read the Canadian Press report and brought it to the attention of the Anti-Inflation Board. The board informed me that some of the guidelines and exceptions as stated in the article are wrong and that the policies are not as stated, but the board was asked to look into the matters referred to in the article, and it has agreed to do so.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact that some weeks ago I asked a question about one of these companies, Bell Canada, and was assured that there would be a reply, will the parliamentary secretary make sure that there will be a reply in the House with respect to all of these companies?

Mr. Speaker: The hon. member for Okanagan-Kootenay.

Mr. Knowles (Winnipeg North Centre): Would the parliamentary secretary give that assurance?

Mr. Speaker: I presumed that that was a representation to the hon. parliamentary secretary which ought to be noted.

* * *

REGIONAL DEVELOPMENT INCENTIVES ACT

EXPIRATION OF ACT IN BRITISH COLUMBIA—INQUIRY AS TO REPLACEMENT

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is to the Minister of Regional Economic Expansion. The Regional Development Incentives Act expired in 1975 in both British Columbia and Alberta. The food processing nutritive agreement has emerged in Alberta as a substitute for the RDIA, but as yet nothing has been negotiated in B.C. for a replacement. What initiative has the minister taken to arrive at an agreement with British Columbia for replacing the Regional Development Incentives Act?

[Mr. Muir.]

• (1450)

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, there is no negotiation to replace the Regional Development Incentives Act because this act remains in effect and it does not now apply to the province of British Columbia because there is no area designated as such under the act in this province. What we have in the province of Alberta to replace the act is an auxiliary agreement under the general development agreement which enables both governments to share costs. We are negotiating cost-sharing agreements with the government of British Columbia as a contribution to the infrastructure which is necessary for the establishment of new businesses in some areas of British Columbia. I am also considering the possibility of extending the scope of RDIA to businesses in other areas in Canada which are not covered by the act at the present time. This decision is not yet definite. We shall report to the House when we make a decision on this one way or another.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

SUGGESTION AGREEMENT WITH BRITISH COLUMBIA BE SIMILAR TO AGREEMENT WITH QUEBEC

Mr. Howard Johnston (Okanagan-Kootenay): A supplementary question, Mr. Speaker. In connection with the negotiations with British Columbia in regard to regional and economic expansion to which the minister referred and because of the difficulties as a result of no precise section of the province being designated and therefore programs such as the one we have been discussing failing to have any effect in British Columbia, what response would the minister have to the suggestion that the agreement with British Columbia coincide or be related rather closely to the agreement with Quebec, to the effect that a large part of or almost the entire province would be designated, giving the province greater flexibility in selecting areas where regional development and economic expansion grants would be available in the province?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, during these negotiations, we said we were interested in designating some areas of this province for the implementation of our industrial assistance legislation. Without being opposed to it, the government of British Columbia would rather have us use another method, but doing this does not necessarily mean that we—for it would be our decision—would not extend the implementation of this legislation to other regions of British Columbia. However, there again I would rather wait until we have completed the current negotiations and come to an agreement before taking any other step. Should the pending agreement meet most of the goals both governments have in view, maybe no further action

will be necessary. If not, we will have to look further into this matter.

* * *

[*English*]

CRIMINAL CODE

PROPOSED MINIMUM SENTENCE FOR CAR THEFT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in light of the fact that we have just finished an omnibus bill covering five phases of the Criminal Code, in light of the fact that car theft is on the increase and because of the large increase set out by Statistics Canada and the Attorneys General of the various provinces, car insurance is very expensive, would the minister now consider setting a minimum sentence under the Criminal Code of one or two years for car theft? At the present time many courts are suspending sentence or treating this offence very lightly.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I will certainly take the hon. member's representations into account. I would advise him that to my knowledge I have not received any representation from the provincial Attorneys General with regard either to their amending the substance or the penalties associated with car theft. I will be meeting with them in June and will raise the subject with them. In connection with the hon. member's representation, I would point out to him that in a speech in the House about a year ago the hon. member took me to some considerable task for suggesting a minimum mandatory sentence be used as a remedy in the law as seldom as possible.

Mr. Woolliams: Mr. Speaker, if the Minister of Justice would refer to *Hansard* he would see that I asked for a minimum sentence in the last omnibus bill. For the crime of cattle rustling there is a sentence of five or seven years but a suspended sentence for automobile theft. Surely, the Minister of Justice in his own right would consider the facts coming from Statistics Canada. I would suggest to the Minister of Consumer and Corporate Affairs, Mr. Speaker, that he ask automobile manufacturers to change car window locks from the ordinary type that can be opened with a coat hanger to the tumble lock used by more sophisticated manufacturers.

* * *

MANPOWER

USE OF INFORMATION SUPPLIED TO OFFICES—POSSIBLE BREACH OF CONFIDENTIALITY

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. I am concerned about access to information filed with his department, particularly that affecting applicants for landed immigrant status, jobs and unemployment insurance. Does the department intend to require employers to notify Canada Manpower every time they hire someone in order that the government can use this computerized information to get the unemployment insurance cheaters, as stated, as well as illegal immigrants?

Hon. Bud Cullen (Minister of Manpower and Immigration): No, Mr. Speaker. I have the same interest as the hon. member in protecting the confidentiality of our customers. By the same token, any representations we had in briefs from the CMA and the CLC were to the effect that something should be done in this particular area and the new hiring procedures to help in situations where, for example, there are honest over-payments which later have to be collected. There are a series of other administrative things that I think could be better taken care of if we could get this program into effect. We hope to meet in the future with representatives of the CMA and the CLC to get their further views on this and probably implement something along this line in a pilot project just to see how it works.

Mr. Alexander: Mr. Speaker, a supplementary question. So there will be no mistake about the minister's attitude I would refer him to the weekend press and I am sure his departmental officials have briefed him in that regard. Does the minister deny the Canadian Press story carried in the weekend papers alleging that departmental officials acknowledged that information on manpower, unemployment insurance and immigration applicants could be used by other federal departments, including the RCMP or even outsiders such as collection agencies? I hope the minister will stand up and state that that is not the policy of his department.

Mr. Cullen: Mr. Speaker, I would commend to the hon. member a very careful reading of section 114 of the Act which I think goes a long way to protect the individual. We would be looking to ways and manners in which that could even be enhanced.

Mr. Alexander: Mr. Speaker, it is all right for the minister to refer me to a section of the Act but I wonder if he would give the House the assurance that the confidentiality of information given to his department by those who are seeking landed immigrant status or who are looking for jobs or are involved with unemployment insurance will be respected and the information will not be given to the RCMP or, in particular, to outside agents? I do not want to hear anything about any specifics in an Act. We would have to read that. I want information from the minister right now. Can he give us that assurance?

Mr. Cullen: Mr. Speaker, I would again commend to the hon. member the fact that this information has not been made available to outside agencies, the RCMP or others. That has been the policy and it will continue to be the policy.

Mr. Alexander: That is all I want.

Oral Questions

NATIONAL DEFENCE

REQUEST THAT ADMIRAL BOYLE APPEAR BEFORE COMMITTEE

Mr. Allan B. McKinnon (Victoria): In the absence of the chairman of the Standing Committee on External Affairs and National Defence perhaps the vice-chairman of that committee, the hon. member for Algoma could reply. As Admiral Boyle will probably not be serving for much longer I wonder if the vice-chairman would invite him to appear as a witness at the committee meeting scheduled to be held tomorrow evening. The committee would no doubt benefit from hearing the opinions of the commander of Maritime Command on the ship replacement program, and other matters?

Mr. Speaker: Order, please. While in order initially, this question also became a representation.

* * *

EXTERNAL AFFAIRS

USE COMMON FUND TO FINANCE COMMODITIES

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, my question is for the Prime Minister. It has been reported that the Prime Ministers' meeting in London agreed to create a common fund to finance commodities. Could the Prime Minister tell the House if this fund would be used only for Third World countries or is it to be used for the purchase of reserve stocks of grain such as is proposed by the United States and Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the discussion was in the context of the north-south dialogue of the CIEC conference which will be meeting at the end of this month under the co-chairmanship of the President of the Privy Council. Therefore, both discussions turned on the fund which could be of assistance to Third World countries, particularly the less developed countries, those most in need. It is at this stage only a commitment in principle. My colleague, the President of the Privy Council, will be able to give the final answer to the hon. member's question when he returns from Paris.

ASSURANCE BY FRANCE OF NON-INTERVENTION IN INTERNAL AFFAIRS OF CANADA

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is also for the Prime Minister. In view of the assurances that the President of France is reported to have given to the Prime Minister in regard to non-interference in the internal affairs of Canada, can the Prime Minister tell the House if this assurance of non-intervention will likely hold even if other political parties or forces come to power in that country in the forthcoming elections?

● (1500)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question is hypothetical, but is also incorrect in its assumption. I think the hon. member has been misinformed. The President of France did not give me any such assurances. The government of France has, through ministers visiting in Canada and indeed through statements made as recently as two or three weeks ago in Paris through the mouth of its own foreign minister, given the assurance to which the hon. member refers. So, in that sense, I want to correct the question a little bit. Its intent is to speculate on what would happen if the government of France should change. Of course, I cannot reflect on that; I have no idea, and if I had, I would not want to speculate on it in public any more than I would want the President of France to speculate on the probability that the Tories will remain in opposition for many years to come.

Some hon. Members: Oh, oh!

Mr. McKinnon: Mr. Speaker, I rise on a point of order, or question of privilege, relating to my exchange with the Minister of National Defence as reported at page 5601 of *Hansard* concerning the resignation or retirement of Admiral Boyle. I have checked *Hansard* and transcripts of various reports since last Friday and can arrive at no conclusion other than that the Minister of National Defence misled the House in his replies to my questions last Friday. I understand that points of this nature must be raised at the first possible opportunity, and this is my first opportunity. Unfortunately, the minister is absent from the House, and will be for several days.

My point in rising at this time is simply to serve the necessary notice that I intend to raise this matter as a question of privilege the next time the minister and I are both in the House.

Mr. Muir: Mr. Speaker, I rise on a point of order. Since the parliamentary secretary in his reply apparently did not know the difference between Prince Edward Island and Cape Breton Island, although many people throughout the world know where Cape Breton Island is—

Some hon. Members: Hear, hear!

Mr. Muir: —I shall pursue the question of decentralization further on the "late show".

Mr. Poulin: Mr. Speaker, I assure the hon. member that I know the difference between Cape Breton Island and Prince Edward Island. Mr. Speaker, my mother was from Cape Breton, and I think she would like to encourage the hon. member to represent it more adequately.

Some hon. Members: Oh, oh!

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

TABLING OF DOWNING STREET SUMMIT CONFERENCE DECLARATION AND FINAL COMMUNIQUÉ OF NORTH ATLANTIC COUNCIL MEETING

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to table, under Standing Order 41(2), copies, in both official languages, of the joint declaration of the Downing Street Summit Conference, as well as the final communiqué of the North Atlantic Council meeting.

* * *

TRANSPORTATION

TABLING OF HALL COMMISSION REPORT ON BRANCH LINES IN WESTERN CANADA

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I should like to table, under Standing Order 41(2), copies, in both official languages, of the Hall commission report dealing with certain branch lines in western Canada.

* * *

MULTICULTURALISM

CELEBRATION OF ONE-HUNDREDTH ANNIVERSARY OF ARRIVAL OF FIRST JAPANESE IMMIGRANT TO CANADA

Hon. Joseph-Philippe Guay (Minister of State (Multiculturalism)): Mr. Speaker, beginning this week, Canadians of Japanese descent across Canada will be celebrating the one-hundredth anniversary of the arrival of the first Japanese immigrant to this country. The efforts of the Japanese Canadian community in contributing to the development of Canadian society, despite their experiences during World War II, are to be commended. They are truly a strength, both in the public and private sectors of our society, and Canada is a much richer society because they, despite their unfortunate experiences, have chosen to continue their contributions to Canada.

In recognition of the very special role played by this ethnocultural group in Canada's history and the significant contribution made by its members to Canadian multicultural society, I request all my colleagues to join with me in offering our warmest congratulations and best wishes to members of the Japanese Canadian community for a successful centennial year.

Some hon. Members: Hear, hear!

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, on behalf of my party, may I also extend to Japanese Canadians all across Canada our warmest congratulations on the one-hundredth anniversary of the arrival in Canada of the first Japanese immigrant. The progressiveness of the Japanese community in Canada and their most important contributions in the fields of commerce, industry, agriculture and the professions are well known. Theirs is a most enviable record, a record of which they can justly be proud. As well, their contribution of Japanese culture to our Canadian multicultural society has enriched, and will continue to enrich, our society immensely.

They have been a source of enrichment in our attempt to reach our ultimate goal, a distinct Canadian culture formed not only by input from our two founding races, the English and French, but input, also, from our native people and from the more than 70 ethnic groups in Canada whose combined numbers now make up one-third of our population. If we all work together in honesty and sincerity, we shall reach that goal and fulfil our aspirations more quickly. To that time we all look forward with much hope and anticipation.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on behalf of the New Democratic Party I am happy to join in the words of congratulation being expressed today to the Canadians in our midst who are of Japanese origin. It is a significant occasion, the one-hundredth anniversary of the arrival in Canada of the first Japanese immigrant, and it is good that we should pause to think of the contribution this group has made to Canadian life at all levels.

The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) and I were just saying to each other that the two of us were in this House in the early 1940s when this country did things to Canadians of Japanese origin of which we should still be ashamed. I am glad to note that some reconciliation has taken place and that some correction of the situation of the past is being attempted by the recognition we are now giving to that community. I am happy, on behalf of my party, to join in the words of congratulation which have been expressed today by the minister and by the hon. member who preceded me.

* * *

● (1510)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,877, 2,209, 2,222 and 2,341.

[*Text*]

OCEAN DUMPING ACT

Question No. 1,877—**Mr. Brisco:**

1. (a) How many employees were hired to manage the Ocean Dumping Act (b) how many are on the payroll to date (c) where are they located?

2. (a) How many employees are classified as Inspectors (b) where are they located (c) what is the number of ships inspected (i) per week (ii) per month in major Canadian seaports?

3. (a) How many charges have been laid under the Ocean Dumping Act in each port in Canada (b) for what reason were the charges laid (c) what was the general nature of the complaints?

4. (a) What was the total additional cost to the Department for salaries (b) what is the salary breakdown?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): 1. (a) Since the Ocean Dumping Act and its regulations went into effect on December 13, 1975, two people have been hired and 19 have been diverted from other programs to manage the Act; (b) 21; (c) Ottawa/Hull 3.3; Maritimes 7.2; Pacific 7; Quebec 1; Northwest 2.5.

2. (a) 174 employees of DFE, in addition to their regular functions, have been designated as inspectors under the Ocean Dumping Control Act. (b) British Columbia 99; Yukon 4; Prince Edward Island 1; Labrador 1; Newfoundland 21; Nova Scotia 13; New Brunswick 3; Northwest Territories 11; Manitoba 2; Quebec 19. (c) (i) approximately seven per week. (ii) approximately 30 per month.

3. (a) None. (b) Not applicable. (c) Not applicable.

4. (a) $8,000 (two employees hired within the last four months). (b) $22,500 and $10,800 annual salaries.

COMMUNICATIONS SYSTEMS TO MEET NEEDS OF DECENTRALIZATION OF DEPARTMENTS

Question No. 2,209—**Mr. Herbert:**

1. Has it been necessary to develop faster and more effecient systems of communications to meet the needs of the decentralization of departments across the country and, if so (a) what are such systems (b) what has been the cost for the current fiscal year?

2. What is the cost included by all departments in the 1977-78 Estimates and what is the etimated total additional cost arising from the needs of decentralization?

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): In so far as the Department of Communications is concerned: 1. Because many improvements have been made to the government's intercity telecommunications network in recent years to accommodate increased telecommunications traffic, including the extension of direct dialing services, improved transmission facilities and new teletype and data services, no special communication systems have been required to meet the decentralization needs of departments.

2. No specific costs are identified in the 1977-78 Estimates since decentralization needs are provided by the existing intercity telecommunications system.

NATIONAL HISTORIC SITE—BRIDGE/CHIMNEY ISLAND

Question No. 2,222—**Mr. Cossitt:**

1. Did the Minister of Indian Affairs and Northern Development receive a written request dated November 17, 1975 from the hon. member for Leeds on behalf of a constituent, Mr. G. W. Mallory, Mallorytown, Ontario, owner of Bridge/Chimney Island?

2. (a) Has Bridge/Chimney Island been declared a national historic site with the cairn and plaque to be erected nearby on the mainland (b) did Mr. Mallory request that some indication be made on the plaque that it was "private property" and, if so, did the Minister agree to forward such a request to the Historic Sites and Monuments Board?

3. Did the Minister advise the hon. member for Leeds, in a letter dated March 22, 1977, that the Historic Sites and Monuments Board had refused to indicate on the plaque the Bridge/Chimney Island is "private property" and, if so (a) will such decision be reviewed in order that the general public will not be encouraged to trespass on the private property unknowingly and to prevent great inconvenience to the owner?

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Yes.

2. (a) Yes. (b) No. However, the hon. member for Leeds so stated in his letter of November 17, 1975. The Minister of Indian Affairs and Northern Development advised the hon. member that the request would be brought to the attention of the historian preparing the text.

3. No. The Minister advised Mr. Cossitt that the board had not made any reference in the text to the fact that Bridge/Chimney Island is privately owned. (a) No. However, the Minister in his letter of October 25, 1976 to Mr. Cossitt suggested that if Mr. Mallory has not already done so, he should post no trespassing signs on the Island to deter unwanted visitors.

TREASURY BOARD PUBLICATION "FEDERAL SPENDING PLANS"

Question No. 2,341—**Mr. Friesen:**

1. What was the cost of production of Treasury Board publication *Federal Spending Plans: 1977-78*, Special Edition, Volume I, No. 1?

2. How many were produced and to whom were copies distributed?

3. Is there a mailing list for this edition or future editions and, if so, how many persons or groups are on the list and what are their names?

4. What was the cost of postage for the distribution of the publication?

5. (a) How many such publications does the government plan to produce in the future (b) what is the proposed time frame (monthly, annually, etc.)?

6. (a) What percentage of the material used in this edition was previously used in other government publications, releases or documents (b) how much is original material?

Hon. Robert K. Andras (President of the Treasury Board): 1. $22,569.61.

2. 300,000. Distribution is continuing in response to requests. Initial distribution included all members of Parliament and the general public through the regional offices of the Departments of Manpower and Immigration, National Health and Welfare, Canada Post Office (Grades 1 to 7), and the Public Service Commission. Individuals receive the publication when they enquire about the spending estimates. Teachers of high school students can also obtain the publication in classroom sets upon request.

3. No.

4. $4,610.01, as of May 4, 1977.

5. (a) and (b): One per year at the time the Main Estimates are tabled.

6. (a) Photographs supplied by other departments may have been used previously. Minister's statement and opposition reaction were in *Hansard*. Two charts were from Federal Expenditure Plan: How Your Tax Dollar is Spent. Press comments were taken from various papers. (b) Most of the text is original material based on the Main Estimates and related news releases.

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 612 and 1,395 could be made orders for return, these returns would be tabled immediately.

[*Text*]

REGIONAL OFFICES MAINTAINED BY DEPARTMENT OF SOLICITOR GENERAL

Question No. 612—**Mr. Munro (Esquimalt-Saanich):**

1. (a) How many regional offices are maintained by the Department of the Solicitor General (b) where is each located (c) for what area is each responsible?

2. On what date was each established and with how many personnel?

3. What is the present personnel strength of each office?

4. In addition to regional offices, are district or other sub-offices maintained and, if so (a) in what locations (b) how many?

5. Are the duties performed by those manning the regional and/or district offices line functions, in the chain of command from Ottawa to the operator in the field, or do they have other functions to perform and, if so, what are such functions?

Return tabled.

DEPARTMENT OF SECRETARY OF STATE—PROGRAMMES WHICH PROVIDE GRANTS TO CITIZENS

Question No. 1,395—**Mr. Symes:**

1. What are the names of all the programmes under the Department of the Secretary of State which provide grants to citizens?

2. For the years 1975-76, how many applications were (a) received (b) approved for grants under the Human Rights and Group Understand Programme?

3. For the same years, by constituency, what is a list of the applications (a) received (b) approved and the name of the applicant, in each case?

4. For the same years, what was the (a) total amount (b) total amount by constituency of the approved applications under the Programme?

5. For the same years, by constituency, which applications were (a) referred for approval to (b) rejected by the local Member of Parliament?

Return tabled.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

FISHERIES ACT

MEASURE TO AMEND CRIMINAL CODE IN CONSEQUENCE THEREOF

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment) moved that Bill C-38, to amend the Fisheries Act

and to amend the Criminal Code in consequence thereof, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

[*English*]

He said: Mr. Speaker, as we start discussion on amendments to the Fisheries Act, Bill C-38, it is necessary to remember that the Fisheries Act is already powerful in the principles it sets forth. It protects the fish and man's use of fish. It states that no one may harm the waters of fish. This principle makes it our main legal arm in controlling water pollution within Canada. It also has great importance in controlling ocean pollution in ways I shall discuss. Although the principles of the existing act are good, it lacks the flexibility and the force to apply these principles fully. Social growth and change bring forth new threats, dangers hardly dreamed of by the drafters of the original act in 1868. They lived in days when the Atlantic salmon crowded the banks of eastern rivers. Since then, this famous fish has provided one of the best, or worst, examples of what a species can suffer from society.

In those major rivers of New Brunswick that still harbour Atlantic salmon, the fish that reach the spawning grounds yearly now number only in the low thousands. To reach the spawning grounds they must pass poachers who have used everything from pitchforks to dynamite. These vandals have assaulted my fisheries officers, have fired shots at them and have threatened to burn down their homes. When we catch a person poaching, the law does not provide sufficient punishment to deter him and others like him. What fines we can levy often amount to a minor tax; their criminal gains are far higher.

There were also other causes for the widespread loss of the great Atlantic salmon fishery, mainly growth—urban and industrial growth—with accompanying pollution, loss of fish habitants and other damage that the Fisheries Act and its application failed to prevent. The same effects of industrial growth phenomenon threaten other species in Canada, not the cute-looking seal, a thriving and increasing species in its deep waters, but homelier and truly endangered species in our rivers, such as the shortnose sturgeon which attracts no glamorous defenders.

A Fisheries Act strong enough for its purpose of protecting fish and man's use of fish has obvious side benefits. Although Canada has the longest coastline, and probably the most fresh water of any country, size has no necessary relation to health. Our water resists pollution no more than the water in Minimata. If our laws can protect the water, if we give the fish a place to live, we can have a better place for man to live. People should be able to see clean water, swim in it, maybe catch a fish. The changes we are suggesting will increase the government's power to protect the fish and their waters.

These changes reflect a stronger public attitude that anyone whose actions affect these resources must take full responsibility. In particular, those who wilfully despoil should face strong penalties. Perhaps the most vicious offenders are the poachers who make a career of robbing honest fishermen. The poacher is the opposite of Robin Hood: he robs what belongs to

everybody, a common property resource, to enrich himself, and sometimes he does so on a grand scale. He threatens the very existence of Atlantic salmon in some rivers, and unless something is done his activities could well threaten parts of the Atlantic lobster fishery. He takes lobsters that, if left alone, would eventually give legitimate lobster fishermen three million more a year.

On the west coast, the loss of potential earnings from the British Columbia salmon fishery through poaching is estimated at $3.5 million annually. One illegal set by a purse seine in British Columbia could bring in $20,000. The fine might be $200. We have many cases where the magistrate's failure to understand the significance of an offence meant that the poacher, even when convicted, made a net profit. I suggest that what is a dangerous game for the fish should become more dangerous for the poacher. The testimony of my officials of legitimate fishermen who suffer from poachers and of the dollar losses I have noted, show that our system has been inadequate. We need more deterrence. Beside raising fines of $5,000 maximum we should increase the threat of forfeiture.

At present, the Minister of Fisheries can take away the licence of a commercial fisherman upon conviction for illegal fishing. The minister lacks other powers of forfeiture. The courts may apply forfeiture against anyone, licensed or unlicensed. They can take away the offender's catch, boat, gear, or vehicle used in illegal fishing. Many of the courts, however, have a history of failing to do so, even in cases involving serious infractions of the law. I am asking that, in future, convictions by a court should carry with it the possibility that the Minister of Fisheries himself may order forfeiture of anything from a salmon poacher's net to a foreign factory trawler. I think the testimony of my officials in committee hearings will convince hon. members of the need for this strong deterrent.

In addition, I ask that fisheries officers, who must frequently deal with armed and violent poachers, receive the additional powers of peace officers.

● (1520)

Our suggested amendments provide also for a ticketing system, like that for traffic offences. At present, even minor infractions of the Fisheries Act make necessary a magistrate's hearing, and these take an unwarranted amount of time from the courts, the fisheries officers, and the offenders themselves.

But, Mr. Speaker, as the case of Atlantic salmon shows so well, the regulation of fishing itself is only part of what we need. Protecting fish means protecting their habitats. Protecting the aquatic habitat involves controlling the use of wetlands. The banks of streams, the foreshores of estuaries, provide nutrients to the larger eco-system of lakes and oceans in amounts far out of proportion to their size. The chain of life extending to the whole open ocean depends on bogs, marshes, mudflats, and other "useless-looking" places that ruin your shoes. Biologists have likened these areas to the cornfields and wheatfields of the ocean. These rich shore areas support salmon, lobster, herring and other local populations; their influence extends for hundreds of miles, even to the most rocky shorelines. They are the irreplaceable nurseries of fisheries well-being.

Today, if someone with a bulldozer starts plowing up the foreshore, the law gives us no direct recourse. An afternoon's bulldozing can destroy the work of centuries. Salmon are considered the crown jewels of British Columbia. Yet on the world's most important salmon river, the Fraser, development has already destroyed 70 per cent of the estuary for supporting the foundation of fish life. Public opinion and the government in B.C. strongly support our salmon enhancement project, which can double the numbers of salmon and restore them to their historic abundance. Volunteers are already at work clearing streams and restoring habitats. But we would be wise to provide a law that can prevent unchecked developments on the shore from undermining their efforts.

The suggested changes to the act would broaden the definition of fish, and thereby extend protection to eggs, spawn, and the juvenile stages. The changes would make it clear that aquatic habitat includes everything necessary to the life of the fish, and we would provide severe penalties for destroying this habitat: up to $5,000 on summary conviction, and up to two years imprisonment on indictment. The main effect of the changes would be this: for landfill, dredging, excavation, or other such projects in these sensitive areas, we would be able to examine the plans first, and to require modification or, if necessary, prohibition. Instead of accusing someone, after the fact, of destroying fish habitats, we would be part of the planning to save them.

There is ample precedent for such legislation. The Navigable Waters Protection Act controls construction projects and land use that would interfere with navigation. Under provisions of the existing Fisheries Act, we work with logging operators to plan their activities so as to protect the fish. We can bring about similar working arrangements with land developers. It is vital that the suggested amendments to the law should give us the power to do so.

Habitat protection will always remain a difficult battle because it runs against the energies of good people following their natural bent: developers, loggers, land reclaimers, and so on. The work of constant monitoring and restraint where necessary is hard, but the alternative prospect of forever losing stocks or species of fish is not acceptable.

[*Translation*]

Mr. Speaker, I speak a lot about habitat protection because it must be recalled that the welfare of fish population is closely linked to what is taking place on shore. As regards water, its importance is obvious. Unfortunately, after years of efforts to make people aware of water pollution, despite clean up campaigns by the federal and provincial government, our waters remain very polluted and this arises partly from weaknesses in our legislation.

The amendments we are proposing will provide us with two means to fight pollution. The first is based on a very simple principle—he who causes harm must correct it. The effect of the changes we are proposing as regards deposits of deleterious

substances would be as follows: First of all, anybody responsible for depositing materials that are detrimental to fish, such as hydrocarbons, chemicals or any other deleterious substances, must report it as prescribed in regulations made pursuant to the legislation.

Second, the offenders, those responsible for the deposits, who own the deposited products or who were carrying them must, and I quote:

counteract, mitigate or remedy any adverse effects.

In other words, they must try to correct the harm they have done, that is to clean up waters by removing deposited substances.

The inspectors designated by the department will have more powers in terms of directing the cleaning work. Finally, offenders will be liable to higher fines, which might be as high as $100,000 in some cases. There will also be a change of attitude to deal with those who are likely to deposit such substances. Things are much easier whenever preventive rather than remedial action can be taken in this regard.

This statement on prevention from source of deposit leads to an area in which our legislation is obviously very complex. Depositing sources are numerous in rivers and coastal waters, but there is only one in high seas: ships.

So the provisions of the Canada Shipping Act concerning the prevention of pollution are very important. They are aimed at preventing the pollution of all elements of the environment by one polluter—ships. On the other hand, those provisions of the Fisheries Act are aimed at preventing the pollution of one element of the environment—fish—by all polluting agents.

As far as ocean dumping is concerned, the Canada Shipping Act is complemented by the Fisheries Act and the Ocean Dumping Control Act. The latter has to do with the dumping of garbage into the sea from an international point of view.

Departmental officials are working in close cooperation with officials of the Department of Transport to prevent high sea pollution hazards. For example, our two departments set up a system of public hearings on the potential hazards that could stem from the proposed oil tanker routes and the oil tanker terminal at Kitimat, British Columbia.

[*English*]

When we think of offshore pollution, we think of the *Torrey Canyon*, the *Argo Merchant*, the *Arrow*, all the spectacular tanker disasters. And we do well to be wary about ship-caused pollution. One spill can destroy a long coast in a matter of hours. In guarding the health of the ocean, however, we should remember that more than 80 per cent of the pollution in the ocean—oil, chemicals, garbage, all the rest—gets there directly from the land, via rivers, seaports and the air. And most of this land-based pollution comes less from spills than from built-in sources: municipalities, factories, pulp mills and the like, that pour effluent into our waters day in and day out. Our second set of amendments to the pollution control provisions of the Fisheries Act takes aim at these built-in and most dangerous sources of pollution.

In the application of the pollution provisions of the Fisheries Act to industry, we try to work co-operatively with provincial governments. Over many months leading up to the final preparation of this legislation, my officials consulted with their provincial counterparts. Many of the proposals in this bill are a result of those consultations, and I might say that in some cases provincial input helped us to improve this legislation. To the best of our knowledge, all provincial fisheries ministers are supportive. Several provincial ministers of environment or resources have written to me outlining some concerns over the impact of certain environmental aspects of the legislation, asking that there be some discussion of this at the meeting of the Canadian council of resource and environment ministers to be held in Saskatoon on June 1 and 2.

• (1530)

I am completely agreeable to that suggestion and have so informed the concerned ministers. I am anxious, however, that this important legislation receive reasonable and prompt consideration here in the House so it can be studied in more detail and any possible problems cleared up at committee stage. I see no problem in ensuring that provincial concerns can be fully met and considered in time for the committee's consideration of this bill, if the House so agrees to passage.

All components of the environment interact with each other, and therefore it is essential that all government agencies, federal, provincial and municipal, work together to get the job done. This sort of teamwork is particularly important in dealing with the vast quantities of sewage often containing industrial waste waters discharged daily by cities and towns into our lakes, rivers and oceans. Although the focus of this government's activities in municipal effluent in the past has been through the provision of CMHC loans and grants to speed the construction of municipal sewerage projects, we may have to be more relentless than we have been in ensuring that fish are protected from these dangers.

Our suggested amendments for prevention of industrial pollution mainly concern older industrial plants. In 1970, parliament changed the Fisheries Act to enable us to prevent pollution at new plants, those to be built, altered or expanded, but we left the government's authority over the other existing plants pretty much as it had been, even though these older plants were the major source of industrial pollution. The Fisheries Act already included the general statements prohibiting the deposit of deleterious substances. We thought that this, plus the specific changes I have mentioned, would give enough authority to clean up our rivers and lakes.

Although we have made headway in the clean-up, it has been less successful than we had hoped. Our care for fish and the environment is still not good enough. Part of the reason is the unwieldly nature of the Fisheries Act as it applies to existing plants, the prime source of noxious waste. The power we have now to regulate pollution from existing plants is of an all or nothing nature. We can prohibit the deposit of deleterious substances above specified quantities from any source.

That means that we could ask a court to order a plant that pollutes to close down.

The threat of closure, however, works both ways: A company can say, "Look, pollution control equipment is expensive: We can't afford to clean this place up completely. If you keep pestering us, we'll close down the mill and the closure could destroy this community". In that way, a company owner may refuse almost entirely to co-operate. Or, at the other end of the spectrum, officials may have talked to a plant owner about cleaning up his operation and he is proceeding with reasonable speed. We believe in his good faith. A citizen's group, however, is taking, or can take, him to court under the general provision prohibiting the deposit of deleterious substances, and could bring about the immediate shutdown of a big employer who is doing his best to clean up his operation.

Most cases, obviously, fall between such extremes. Nevertheless, the unwieldy nature of the act at present has handicapped our anti-pollution work. We are unable to make the regulations fit the circumstances as they should. The act contains no specific authority to make regulations for specific types of existing plants on an industry by industry basis. The environmental protection agency of the United States, on the other hand, has such authority. We need it, too: it is a practical way to solve pollution problems.

The amendments we ask would give us more flexibility in our approach to polluters. We need authority to demand specific improvements in specific situations, for individual industries and individual plants. We need authority to let a plant owner keep depositing pollutants in regulated amounts provided he is working toward a cleaner operation. We need bigger fines, up to $100,000 for wilful polluters who refuse to co-operate with clean-up regulations. The new powers, if this House approves them, will let us push the plants along at a reasonable and realistic rate in the clean-up of their operations without driving them out of business.

Many of these industrial plants discharging noxious wastes are old. Companies built them when we thought nature could dispose of whatever we threw at it. Now we know better. What we put into the water can change it. We can destroy the natural environment. Our dependence on nature has become a dependence on our governance of nature.

As in most issues, the course of reason is the middle way. We find extremists on both sides of these issues. We also find moderates; and the moderates usually represent what turns out to be the common interest and, more frequently, common sense. Some extremists would close down any industry which emits an effluent regardless of the environmental needs, regardless of what pollution control technology may have done to reduce the threat. They turn a blind eye to economic or social consequences. Fortunately, most environmentalists are not unreasonable. They want, quite simply, a cleaner and healthier environment. They do not want our life support systems sacrificed for temporary industrial gain.

There are extremists on the industrial side, too—people who refuse to accept the environmental realities, people who see every move to forestall degradation as a pretext by government to control them out of existence. But here, too, we are talking about a minority. The majority of industry's representatives that I have met see the need for changes; they recognize that new problems call for new solutions, that what the public asks of them is not only reasonable and necessary but is economically and technologically possible. To sum it up, the reasonable approach is one that recognizes that the quality of the human environment has economic and ecological elements. The answer lies in balance.

I want to go on record now as saying that I will continue to listen to the voices of reason, but that I have little time for extremists from either side. I will strive, through these amendments, to see the provisions of the Fisheries Act consistently applied, and I am confident that these very necessary amendments will be applied in the spirit of reasonableness which has characterized Canadian environmental progress over the past decade or so. Growth must respect the environment. In the past, where society has grown, fish have tended to die. If we can save them a place to live, the changes are better for us. We have made of progress a god. But mercury was named for the messenger of the gods, and mercury has warned us clearly that the gods of progress have a darker side.

I am sure all hon. members here believe in some growth and change, but we all draw the line about someone changing, without our consent, the water or other elements that support the life of the fish or of ourselves. The fish and their waters are a public resource. With the changes to the Fisheries Act that I am asking for, my department will be better able to carry out the public responsibility of guarding them. I commend, Mr. Speaker, these amendments to the House. I hope hon. members will support them, and, where committee discussions so warrant, that together we can improve even more Bill C-38.

● (1540)

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the opportunity to speak on this measure. This bill deals with pollution, power problems, penalties, poachers, police officers, protection, politics and prohibition.

I want to thank the minister for his statement. I listened to him with interest. I want to welcome him back to the House from his visit to Cuba, even though he was there such a brief period that he does not come back to us with a typical Cuban suntan or even his pockets bulging with cigars. Hopefully, at an early date the minister will find time either to give the House or the Standing Committee on Fisheries and Forestry an outline of what he discussed in Cuba or an outline of what the Cuban government plan to do in its fishing operations off the Atlantic coast of Canada.

Bill C-38 is indicative of the Liberal government's fishery policy—laced with good intentions but brought in too late. Is it any wonder that back home fishermen look at me with a twinkle in their eyes and call the minister the Rip Van Winkle of the fishing industry?

There is absolutely no excuse for this bill, which was introduced on February 21, 1977, to have been delayed until now for second reading. The fishermen, the Progressive Con-

servative party, and even the Minister of Fisheries and the Environment (Mr. LeBlanc), have been pleading for stronger enforcement measures in fisheries for the past several years. Bill C-38 provides for those measures. They are measures which should have been brought forward much earlier.

We on this side of the House in the official opposition support Bill C-38 in principle because the present Fisheries Act needs immediate revision. The bill provides a number of improvements such as the establishment of more realistic penalties for those contravening the act, the production of a ticketing system for minor infractions so that fishery officers will no longer be tied up for ages in court proceedings, and the extension of anti-pollution controls to existing industries.

However, we are concerned with several aspects of this bill: the extensive search and seizure powers of fisheries officers; the extensive search powers of the federal pollution inspectors; the possible federal-provincial constitutional clash over anti-pollution jurisdiction; the small number of fisheries officers and inspectors with which the department expects to do the job; and the content of the regulations which the governor in council may prescribe in the future.

Under section 35 of the Fisheries Act, any fisheries officer can break open and search any house, vessel or place where he has reason to believe that fish taken in violation of the act are concealed. No search warrant is needed, although a departmental directive was issued which prohibited entry into a personal dwelling unless "hot pursuit" was involved. I wonder what they mean by "hot pursuit". In the television serial "M.A.S.H." we learned the reason for calling one of the actresses "Hot Lips Houlihan". I wonder what the minister means by "hot pursuit". Perhaps someone on his side will explain.

We question whether a departmental directive is sufficient or appropriate to prevent the abuse of such extensive powers. Clause 9 of the bill grants federal pollution inspectors the right to enter any place, except a private dwelling, where he presumably believes the act is being contravened. Why should these inspectors and fisheries officers be granted powers greater than those of peace officers, especially since fisheries officers have been designated as peace officers? Once again, the government seems to be encroaching unduly upon the privacy and upon the rights of an individual.

We must ask ourselves, what is a peace officer? The Criminal Code states that a peace officer includes a mayor, warden, reeve, sheriff, deputy sheriff, sheriff's officers and justices of the peace. The term also covers wardens, deputy wardens, instructors, keepers, jailers, guards and any other officers or permanent employees of a prison. It includes police officers, police constables, bailiffs, constables or other persons employed for the preservation and maintenance of public peace or for the service or execution of civil process.

It includes customs or excise officers, pilots in command of aircraft, and officers and men of the Canadian forces who are appointed for special duties under the National Defence Act. Now fisheries officers are to be added to this list. I fear we are getting somewhat close to a police state. I believe our fishermen should be listened to when they say, without tongue in cheek, that we have a little too much control. As I said a moment ago, in the course of carrying out his duties, a fisheries officer may conduct a search without the authority of a warrant. The only limitation on his power is the necessity for him to have reason to believe there has been contravention of the act.

Let us for a moment contrast this power with the position of a peace officer within the provisions of the Criminal Code. In such a situation, a police officer must present information to a justice of the peace, showing reasonable grounds for believing that in a specified location there is something which has relevance to the commission of an offence against the provisions of the Criminal Code. The justice of the peace, in his discretion, if he feels requirements have been met, may issue a search warrant authorizing the police officer to carry out a search.

The important point I wish to make, and one I want the House to note, is that the peace officer's honest belief as to the particulars detailed is insufficient. It must be the justice of the peace, and not the peace officer, who is to be satisfied that there are reasonable grounds for believing the matters to be established before the issuance of a warrant. Moreover, it was held that search warrants cannot be used to carry out general searches. There is need for describing in detail the items to be searched for and seized. In other words, the issuance of a search warrant is not a mere administrative act, but a judicial act of the justice of the peace. Under the Customs Act, for example, a customs officer may, upon reasonable grounds of suspicion and without authority of warrant, search any package or board or enter any vehicle or vessel. However, if he wishes to search any building or place, he must obtain such authority from a justice of the peace.

Why is there not a similar provision required of fisheries officers classed as peace officers? An exception to the rule is that any such act may be carried out by a customs officer without a warrant when there is no justice of the peace within five miles. That is a restriction which, I submit, should be the last one written into this bill. I hope the minister gives consideration to this point.

Unfortunately, this bill does nothing for some of the major problems facing our fishing industry. It does nothing to alleviate the fear among our fishermen as generated by the present management policies established by Ottawa bureaucrats, that we will have to wait at least five years before getting any real benefits from the 200-mile limit. This situation is due to Ottawa's generosity when negotiating bilateral agreements with foreign nations fishing within our economic zone. We have, in effect, given away the keys to our banks in order to obtain tacit agreements. As a result of these bilateral agreements, our resources continue to be raped, pillaged and plundered, while our own fish catches decline and the size of fish caught by our people becomes smaller and smaller.

If anyone doubts that statement, all he needs do is to read the government's own reports as put forth by the Canadian Salt Fish Corporation. The fish caught in 1976 were so small

that the corporation's markets were affected—and the report for 1977 will be even worse. This indicates that overfishing is still going on, depleting our resources below the sustainable yield level and depleting them, as well, below the age level when they spawn and reproduce the species.

This government's whole management approach has been based on guesstimates not supported by adequate research data. The blame for the decline in our inshore and offshore catches must be laid squarely on the shoulders of the Liberal government and its "wait and see" fisheries policies during the past ten years. I realize the present minister did not hold that position during the past ten years, but he and his predecessors must share some of the blame for the problems our fishermen now face. Right at this moment this government is making crucial decisions on quotas for Canadian inshore and offshore fishing. These are quotas for 1978 and are quotas for our own people which will be established on what I submit is outdated information.

● (1550)

For example, at the Fisheries Council of Canada meetings which I attended last Monday, Tuesday and Wednesday—May 9, 10 and 11—among other things I learned that quotas for Canadian inshore and offshore fleets and the foreign fleets operating within our 200-mile economic zone for 1978 will be set around the middle of June. This information was reinforced by officials appearing on Thursday, May 12, before the Standing Committee on Fisheries and Forestry.

However, I submit that by following this course we will have no way of knowing the total possible catch of the large inshore fleet, for example, which operates off the northeast coast of Newfoundland and which concludes its major fishing effort in early September. In fact, we will not even have the opportunity to gauge the catching capabilities of the Canadian offshore fleet. The danger inherent in this type of management program is that officials in Ottawa will be setting total allowable catches—or TAC's, as they are called—for 1978 without really knowing the catching capability of the Canadian fleet. We will be declaring stocks of fish as surplus to our needs and making them available to foreign fleets without basic, practical or scientific data on which to base our figures.

This problem was covered by some of the resolutions put forward by members of the industry in attendance at the Fisheries Council convention, and in order to help the government—which obviously has not given fisheries research the priority it requires—the industry has suggested that it would be practical for the government to have much of its stock assessment and research done from Canadian commercial fishing vessels. This is a viewpoint I have put forward in previous debates on this matter, and in view of the obvious need for greater research before an adequate fisheries management plan is established, I hope the government gives this proposal favourable consideration in the immediate future.

The Fisheries Council made this recommendation. It is in resolution No. 5 in its list of resolutions. It is a sound recommendation, and I commend it to the minister's attention. I

[Mr. Crouse.]

believe that we, as Canadians, must follow this course, because in my opinion it is simply not enough just to know the standing stocks. We have to know what kinds of changes in abundance and distribution to expect as a result of natural environmental factors. I ask the minister, for example, how many fish and fishing stocks were destroyed as a result of recent oil spills? The minister himself mentioned his concern about the *Torrey Canyon* and the *Arrow*. These spills may have taken place in parts of the globe which are far removed from Atlantic Canada, but our shores off the coast of Atlantic Canada are swept by the Gulfstream, albeit far out to sea. Closer into shore we have the Labrador current coming down past Newfoundland and the coast of Nova Scotia, and wherever these spills occur it is quite possible for the oil to be carried, either on the surface or in the deeps, over great distances and to have a great effect on our fisheries stocks.

We have to know what kinds of changes to expect as a result of these environmental factors. We have to know the interdependence between stocks. We have to know the distribution of stocks at any given time, both horizontally and vertically. We have to know where the various species spawn, and when. Using the ships of the industry, I submit, will go a long way toward providing this data which is fundamental to establishing a sound fisheries management program. I submit that if this course is followed, it is just possible—I do not say it would happen, but I submit it is possible—that we will learn what is happening to Atlantic Canada's salmon industry.

In his remarks the minister stated that at one time in his native province of New Brunswick the salmon crowded the banks of the rivers. I can well remember when salmon fishing in my native province of Nova Scotia and, in fact, in my own county of Lunenburg, was a very good industry. We caught many salmon in the La Have River, for example, and in the Medway, whereas today it is almost cause for announcing a national holiday if salmon is caught in any of these rivers. The stocks have become badly depleted. It is just possible that if an adequate research program were established by the minister, we could find out what is happening to our salmon industry. This is one species which seems to have been totally neglected in recent years, and in my opinion there is an immediate need to establish adequate protection for salmon originating in Atlantic Canada's coastal waters. In fact, I submit that we need a salmon enhancement program in Atlantic Canada immediately, a program which would, hopefully, restore depleted stocks and would bring improved earnings to inshore fishermen in our coastal areas. This is something we tend to ignore from time to time when discussing over-all fishing problems, but I would like to emphasize the problem this afternoon.

I hope the minister will recognize that this problem should be of immediate concern and that action should be taken. After all, if we started today on a program to re-establish Atlantic salmon, the minister and I are well aware that the effects of that program would not be felt for at least seven or eight years. So it is necessary to get moving as soon as possible.

There are a host of other questions and problems facing the industry. I am not going to deal with them in detail. One problem is higher oil prices. Those prices will increase the cost per pound of fish landings, making Hamilton Bank fishing very expensive. The minister suggests that this is one area which is still open to Atlantic fishermen and that there are still surplus stocks to be caught. But I wonder how the fishing industry in total will offset this increased cost.

Why was the quota on squid and capelin—the food fish for cod fish—increased this year, when under the management program every effort should be made to rebuild ground fish stocks? After all, capelin and squid are the food fish for codfish and other ground fish species, the stocks of which we are trying to rebuild. To give away to foreign countries capelin and squid in vast quantities, the food fish for other fish, seems to me to be a regressive step which should not be continued in 1978.

Under their 200-mile limit, the Americans are catching more fish. Therefore, they will be supplying their own market which is, in effect, our market. I wonder what steps the minister is considering to assist in long-term marketing. I realize this is not an immediate problem because the catch of fish is down at the moment and the industry itself is not having any difficulty marketing its catch, but I submit we should not wait until a crisis arises before we take steps to meet it. It would be a good idea to do some forward-planning, and I wonder if the minister will give us an indication of what his forward plans are in this area. I would like to know if it is possible to establish a herring industry in Atlantic Canada. There is an industry on the west coast which has become very profitable, and we certainly welcome the news when any segment of the industry is doing well, but I wonder whether the minister is taking any steps to investigate the possibilities in Atlantic Canada.

I wonder if it is possible to establish a porbeagle shark fishery in Atlantic Canada, rather than leaving this industry entirely to the Faroe Islanders. It was interesting to talk to the representative who came from the Faroe Islands to the Fisheries Council of Canada meeting. He informed me that the large porbeagle shark is caught there, and many of these fish are caught off our coast, as the minister is well aware. These fish are marketed in Europe, even though they contain 7 per cent of mercury and more. Apparently in some Scandinavian countries there is no concern whatever about the possible danger to the health of humans as a result of the mercury content in these large fish. I submit that this is an area in which the minister and his officials have been somewhat negligent. They have neglected somewhat those who would like to pursue this type of deep sea fishery. It is not unrelated to the swordfish industry which has been inoperative since 1970, at least in Atlantic Canada, even though it has been re-established in the United States.

● (1600)

These are points that I hope the minister will examine. They deal with just a few of the problems. If I used all the notes I have before me this afternoon, Mr. Speaker, there would be no time for other speakers. I hope the points I have raised will be examined very carefully by the minister and that some action will be taken on them to benefit our fishermen.

On this side of the House we are also concerned about the possibility of a federal-provincial confrontation over pollution. At the present time the federal government has control over any pollution which affects fish in their aquatic habitat, while provincial governments have control over any pollution which affects their waters in general. In my view, the federal and provincial governments should come to a firmer understanding and commitment on what each controls, and the powers that each can exercise. Otherwise, there is a tendency to confrontation, which I submit can only place further burdens on our presently strained national unity and on our already overstrained Canadian confederation.

It seems to me, when I look at some of these proposals, almost as though they are part of a deliberate plan to break up Canada, a deliberate plan to confront the provinces with policies and powers that should be vested in the provinces. I submit that federal-provincial co-operation is essential, because a province can delay the implementation of any federal anti-pollution regulation. In the case of controversial pollution issues, the provinces could claim that the federal government has responsibility, whereas the federal government could claim the opposite. Without a previous understanding, nothing would be done except pass the buck. Furthermore, what might happen is that an industry located in an economically depressed region of Canada—heaven knows, the minister is well aware of some of these regions—might refuse to comply with the federal anti-pollution standards. If the province came to the defence of the industry, would the Supreme Court uphold as constitutional the federal government's claim over water pollution?

Although these are hypothetical examples, they are real possibilities if federal-provincial jurisdiction over pollution is not clearly delineated. It is because of factors such as I have outlined that the government not only faces unrest in one province—namely, Quebec—but similar unrest in Atlantic Canada, central Canada, Ontario and the western provinces. I raise this not to be critical but in the hope that the minister and his colleagues will carefully examine these matters when drawing up bills.

Clause 11 of the bill authorizes the government to establish licence fees for the harvesting of marine plants. Do we really need more fees in the fishery, Mr. Speaker? I do not think so, especially since the government in this case should be encouraging aquaculture, not discouraging it will licences and fees.

I note that Clause 4 of the bill requires that fish guards, or screens, must be placed on any water intake, ditch, channel or canal in Canada where the minister deems it necessary in the public interest. The present Fisheries Act only extends this provision to the western provinces, but now the owner of the water intake, ditch, channel or canal is to be responsible for the upkeep and repair of fish guards. I should like the minister

to tell us how he will determine where fish guards should be placed, and if there will be a regular inspection of them by the department. If there is to be no regular inspection, I submit that this clause is meaningless.

Clause 5 of the bill states that no person shall destroy fish by any means other than fishing. It also defines "aquatic habitat" and states that no one can disrupt or destroy it without the minister's consent. This raises the question of the man who wants to carry out dredging operations. Will he need the minister's consent before starting work? If fish are destroyed through dredging, is the dredge operator liable, since he destroyed fish by means other than fishing? Does the department intend to apply clause 5 to every body of water in Canada, or are there only certain bodies of water which the department does not want disrupted? If the latter assumption is true, is the minister going to table a list of those bodies of water to which he gives priority?

Finally, Mr. Speaker, several clauses in the bill allow the government to prescribe various regulations in the future. The Progressive Conservative party has constantly argued that the Canadian people, through parliament, should know what the regulations are under any bill before granting blanket approval to them. A government can bypass parliament very easily in making future changes to an act if it has already been granted the power to establish regulations, because regulations do not need parliamentary approval. More consultation, for example, was recommended by the Fisheries Council of Canada in their resolution No. 8. It is interesting that they should bring forward this matter. Following four "whereas's", resolution No. 8 states:

> Therefore be it resolved
>
> that Canada, in consultation with all segments of the industry, formulate its long-range fisheries goals for all marine stocks off its coasts and adopt well-defined principles upon which management plans and regulations can be based.

All through these resolutions you can detect a fear that changes are being made by bureaucrats, that bills are being formulated, that acts are being implemented without adequate consultation with the industry. They are literally begging for the right to be consulted by the minister and his officials before acts are implemented which may be harmful, over-all, to the fishing industry.

In conclusion, Mr. Speaker, we in this party endorse the principle of Bill C-38, although we have reservations about certain aspects of it. We wonder why the bill could not have been brought forward earlier. However, when we look at this government's track record in fisheries policies, its delays in declaring a 200-mile limit, its delays in completing second reading of Bill C-7, the only other fisheries bill on the order paper, which has been there since December 10, 1976—the President of the Privy Council (Mr. MacEachen) says we are obstructing parliament by not allowing bills to go through, but that one has been on the order paper since December 10, 1976—and see this lack of interest in our fisheries problems, it is indicative of the low priority the government has given the fishing industry, and its problems, for a long time.

[Mr. Crouse.]

We look at all these things, and the government's delay in reaching agreement with the United States over Georges Bank, for example, and the delay in reaching agreement with France over fishing boundaries, and we realize that the United States, after 16 years of not recognizing Cuba, was able to reach agreement with them on the 200-mile limit in a matter of three weeks. Cuba is only about 90 miles away from the United States, and when it declared a 200-mile limit and the United States declared a 200-mile limit, there was, naturally, an overlapping of boundaries which had to be settled. This was achieved within two or three weeks, although the United States had not recognized Cuba for some 16 years.

We in Canada are friendly with the United States—certainly we in the Progressive Conservative party are, and we hope the government has a friendly attitude toward our great neighbour to the south—but no agreement has been reached on what could be the most valuable fishing bank off the coast of Atlantic Canada, namely, Georges Bank. It is a prolific bank, yielding many millions of dollars worth of scallop landings in my constituency, Lunenburg, Shelburne and Liverpool, and in Yarmouth, in the constituency of the hon. member for South Western Nova (Miss Campbell).

● (1610)

Mr. Speaker, this matter is important to us. I wish, to high heaven, it was equally important to the government. There is nothing I would welcome more than an announcement by the minister, that agreement had been reached on the ownership of Georges Bank, or on how the resources of that bank are to be shared. If it is not possible for the Canadian and United States governments to come to an agreement, perhaps the minister should consider asking a third party to negotiate on his behalf. In any event, I submit that two friendly nations, Canada and the United States, can surely resolve this matter to the benefit of both. But these difficulties remain unresolved.

In conclusion, one can only say that if there is not an adequate solution it would appear that the Liberal government wants to maintain its almost perfect record of national procrastination.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I do not intend to take much of the time of the House, since this bill can be discussed more thoroughly in the Standing Committee on Fisheries and Forestry. Let me say that I support the minister wholeheartedly in his desire to deal not only with the pollution of our inland waters but with the pollution of our coastal waters.

Pollution damages our fishing industry, on which many of our people depend for food, and from which thousands of Canadian citizens earn their livelihood. As the minister said, a good deal of thought and drama surrounds the problem of an oil spill at sea, and rightly so. Certainly, the NDP is concerned about the possibility of an oil pipeline being built from Kitimat to Edmonton. We are concerned because there is a dangerous, 60-mile channel leading to Kitimat which, according to my information, has not been surveyed for over 30 years. Originally it was charted for vessels drawing up to 35 feet; but that

channel may have to accommodate oil tankers drawing over 80 feet. Therefore, we are concerned about oil spills, about ships being wrecked close to the coast, ruining our fishing areas and polluting our shores. I submit there is cause for real concern in this regard.

The minister said that although we are concerned about oil spills on the high seas and in our inland waters, we must realize that a major part of our pollution occurs on the landward side, from industry. For instance, on the west coast of British Columbia mining industries are dumping their highly toxic tailings into coastal waters. All kinds of materials from various plants and mills are being dumped into our waters. They are noxious to fish life. Also, some fairly large communities are still dumping raw sewage into our coastal waters.

It is interesting to note that many of those who are most forthright in criticizing industries which dump their tailings into the sea are also the same people who complain to high heaven when one suggests that municipalities should spend money on sewage treatment plants. The fact is that both kinds of pollution are equally destructive of our waters. I used the example of the Pacific coast, but I know that the same conditions apply on the Atlantic coast. In my part of the country some communities are still dumping raw sewage into our waters. I suggest we must deal with that kind of complacency. This legislation attempts to correct the general lack of concern of many municipalities, a lack of concern shown by the dangerous industrial trend in pollution which is killing off our fisheries.

Man is the most destructive creature ever to have ruled the earth. Other species kill for food, but man often kills for the sheer love of killing. He is thoughtless and careless about the effects of his industrial development, what it is doing to his own environment, and the possibilities of survival of future generations. We shall support wholeheartedly and enthusiastically the minister's attempts to correct the situation. But the government has been lax in coming to grips with the problem.

Three or four years ago the minister's predecessor, the Hon. Jack Davis, brought in, with much fanfare, legislation labelled as the clean air and pure water bill. It was hailed by the press and the electronics media, and fine speeches were made in this House. I agreed with almost every word the then minister said. Noble sentiments were expressed. Yet in my party we felt that it was more an exercise in public relations than in effective legislation. We said we supported the purposes and thrust of the bill, but were not convinced it had sufficient teeth to guarantee the people of Canada the kind of clean air or pure water the bill promised.

There was talk of the government's setting up pollution control districts. The idea was good. It would bring together federal, provincial and municipal governments which, with representatives of industry, would seek out the root causes of pollution and deal with them. So far as I know, not one pollution control district has been set up. Some may have been set up of which knowledge escapes me. However, as I say, I do not know of one such district which has been set up in the area I represent. I doubt if any districts have been set up anywhere across Canada.

Mr. Speaker, the public gets awfully fed up with pious platitudes and statements of noble sentiment, after which nothing is done. The Chinese have a saying: There is a lot of noise on the stairs, but no one enters the room. I say, the time has come to do something. When the Hon. Jack Davis introduced similar legislation several years ago we said: Instead of trying to deal with pollution by setting up pollution control districts which may not be effective, why cannot the government amend the Criminal Code. This the minister is now proposing to do, for which I commend him. I say to him that amendments to the Criminal Code will depend, for their effectiveness, on the activities and aggressiveness of fisheries officers. It will depend on those who search for and find the sources of pollution and a department which is sufficiently concerned to lay the several charges provided for in this bill. I will give the minister an example. In my constituency, many of the ships which come into the ports clean out their bilge tanks in the ports. The whole port is covered with scum. Everybody complains about it, but usually by the time the authorities are notified, the ship has already left.

● (1620)

In one case which was particularly offensive, charges were laid. The owners of the ship and the captain were hauled into court and fined, if I remember correctly, $5,000. As a matter of fact, $5,000 would not have begun to clean up the mess in the Chemainus harbour which was caused by the oil being dumped out of the ship's tanks. It would not have covered cleaning up the oil on all the small craft moored there which had to be hauled ashore and scrubbed and cleaned, to say nothing of the mess on the shore generally.

Therefore, unless the proposals which the minister is now making are going to be backed up by an adequate number of fisheries officers, the legislation will mean very little. I say this for the benefit of the President of the Treasury Board (Mr. Andras) who should see that the department gets sufficient money in its budget to hire adequate staff to monitor the situation. This must then be backed up by the minister and an aggressive department to deal with the culprits. If culprits are dealt with decisively and seriously, it will be surprising how quickly the example of what has happened to those who are careless about polluting our waters will be transmitted to others who in the past have been equally careless.

I commend the minister for tackling this problem. It has been a long time waiting for some effective remedial action. I am glad the minister has brought this bill before the House. I think the comments which our party will want to make with respect to it can best be made before the standing committee. In the meantime, when this legislation passes with whatever amendment the House may choose to make, I trust the minister will provide the action to carry out the very excellent sentiments which he expressed in the House today.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, first I would like to tell the minister that I am pleased about the general contents of Bill C-38. It is somewhat rare to have unanimity in the House about a bill. I therefore hope that the information given to the public by the press will be objective, and that the Canadian people will understand the importance of the subject covered by the bill and, in general, cooperate so that this legislation may be applied with good results.

The bill aims at protecting our fisheries, at protecting the fish resources against poachers, especially professional poachers. There are some in all areas of the country. There are also a few small-time poachers, but they do not cause as much damage as those covered by this bill. There are also the polluters, those who use all sorts of chemicals in their industries and who do not care about the effects of the products used during manufacture. In my opinion, this legislation will invite them to be more cautious in the use of chemicals and more concerned about the damage that this waste material can cause.

There are also the destructors of the environment. They are not mentioned in the bill, but I think that the minister could examine this question. I refer to the polluters who damaged the environment by an inconsiderate destruction of our forests along our rivers or around our lakes. I have often witnessed destruction caused by the development of our forest resources, and even though this development provides employment for workers, it has disastrous consequences for the local environment: the fish disappear.

These are all matters that we should consider seriously. I remember, Mr. Speaker, when spring came when I was a child, we could witness nature's awakening and it was marvelous. On my parents' farm, there was a beautiful river which flowed into Lac-à-la-Truite. There were a great many lakes in my area and I used to accompany my parents, my older brothers and my friends on fishing expeditions: never would we come back with an empty bag; in fact, we always came back with large quantities of fish, while abiding by the laws, and it was interesting. Mr. Speaker, I remember that when, as a boy, I would go and get the cows, I always brought my fishing rod and tried my luck along the riverbank, so that there were always four or five fine trouts for my mother. She liked them very much and ate them with great appetite, and I knew this was one of the greatest pleasures I could give her. Last year, I went back to that area; again I tried my luck casting my line in these creeks and rivers, to no avail. There is nothing, not a single fish left in Lac-à-la-Truite or anywhere else. I realize that the company which operates the asbestos mines in those areas had to do it. They emptied the lake which is called Black Lake. There were natural resources there and the largest deposits of asbestos are under the lake. But, in developing that natural resource, they completely destroyed the environment: lake Williams, Black Lake, Lac-à-la-Truite, all rivers and brooks. There is nothing left now because at that time the necessary measures were not taken to protect the environment.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

It is as a result of intense industrial development that our rivers, our lakes, our brooks were gradually emptied out and that we have seen at the same time enormous social benefits disappear. Our children could not only enjoy during their leisure time the beauty of nature, but also learn what nature is exactly. They could spend hours fishing, those were healthy leasure times which did not cost much to society but were very rewarding. Today when we say to our children: Go walk in the forest, go fishing. Their reply is: "There is nothing anymore, you fished everything out, you massacred everything." They blame us, and rightly so.

Over the weekend, Saturday to be precise, I went with the chairman of the Montmagny-l'Islet Rod and Gun Club, despite the bitter cold, to visit the "big lock" as it is called in the area, in the beautiful nearby municipality of Cap Saint-Ignace. The lock was built through grants from the Department of Manpower and Immigration. Significant amounts were invested twice to build a dam to regulate the river and provide a shelter for fish and give local people in Montmagny and other towns a recreational forest area. I was disappointed to note that although the lock was very well built, the force of water at high levels caused it to flow around the dam, so that large basin has now disappeared. This is a very unfortunate, because there was a lot of fish, and the scenery was beautiful for canoeing. I promised the chairman of the Montmagny-l'Islet Rod and Gun club I would raise the matter at the first opportunity, and call this to the attention of the Minister of Fisheries and Environment (Mr. LeBlanc), so that funds can be allotted to repair the damage and restore that beautiful area. It is a real asset, a real encouragement to protect the environment, forests and wildlife.

I therefore welcome this opportunity, and I hope that the legislation can really open the door to a renewed effort to give better protection and get the people involved so that we may leave healthy environment to the next generation.

Yesterday, I also attended a maypole ceremony which, in our area, and probably everywhere else, consists in planting a tree to mark the end of an organization, of a series of meetings on a topic which may have been studied over a period of weeks. There again, this ceremony was held thanks to an assistance program.

Mr. Speaker, some may tell me that I insist too much on that program but I do so precisely because it gave such good results in my area that I want to talk about it and say to the government how much I appreciated it. Hundreds of young people, especially, attended that ceremony and I took advantage of it to point out to those youths how precious that tree, and the forest are to us; close by there flows a river towards the south. I also took that opportunity to invite the young, the whole population, to get together and see to it that the river, which has been polluted over the years, is cleaned up and become once again interesting, one in which nice fish may live again.

Incidentally, Mr. Speaker, I wish to say that last Thursday a 13-year old boy happened to spot a big 29-inch trout struggling to get free of the mud on the river bank. Then, coura-

geously, the little boy jumped in the river to get that 29-inch trout weighing seven or eight pounds and whose photo was published in the local paper. I have congratulated the little boy for his courage. He learned how to protect the environment, the fish and it is a fearless act that deserves to be mentioned.

Mr. Speaker, for all those reasons, I entirely support the fast passage of that legislation and then I hope that the regulations will be rational and known to the public. If we want the public to comply with regulations, those must be known because if they are not, they cannot be respected and we are not encouraged to cooperate. Those regulations should be well known to the public. I also wish that the department responsible for enforcing that legislation will apply it courageously not only to the weak who will fail to comply but also to the powerful. There should not be two standards of justice, there should be just one justice, one standard and the legislation should be applied strictly to big corporations that do not comply with regulations and laws. We should be as zealous as regards big corporations as we have been and will continue to be toward the weak. And the minister can be sure of one thing: he will have any co-operation and I will not intervene needlessly if I sincerely believe the legislation is properly applied, no matter the punishments or the fines that will be imposed. It will be in the public interest and I shall be pleased about it.

● (1630)

[*English*]

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I am pleased to be able to participate in the second reading debate on Bill C-38 to amend the Fisheries Act, and to support my hon. friend from South Shore (Mr. Crouse) in his excellent suggestions drawing attention to some of the inequities which exist in some parts of the bill. However, he supported the principle of the bill, as have all my hon. friends who have spoken thus far.

It is obvious that the Fisheries Act needs revision. I am not too sure we should not be more concerned about the extensive powers of search and seizure given fisheries officers, because we have to keep in mind our fishermen, the extensive search powers of pollution inspectors, the possibility that conflict could arise over anti-pollution measures, and the possible conflict, constitutionally, with the provinces over anti-pollution measures. But I am sure that when the bill is sent to the Standing Committee on Fisheries and Forestry we can go into detail and correct any clauses which need correcting with the support of the minister.

The item I want to deal with has to do with clause 12 dealing with the catching of Atlantic salmon in sports rivers. It brings into focus measures to be taken to prevent the poaching of our rivers. I was glad to hear the minister tell us he needs to strengthen the capability to protect against the abuse of these resources. He is even going to the extent of confiscating gear and increasing fines dramatically. He mentioned the problems they are having in the province of New Brunswick, and I can tell the minister that those problems are being duplicated in Newfoundland, the province I represent. Poaching is becoming increasingly a threat to the preservation of our salmon rivers.

● (1640)

The minister should direct his attention to the number of guardians hired, as well as to the number of man-hours and man-months provided for fisheries guardians who are taken on in the summer months during the salmon season. I say, with the greatest respect, that the government is being completely unrealistic in the measures it takes to prevent poaching when, on the one hand, many millions of dollars are spent in studies and meetings, decisions are made on man-hours and budgeting, restrictions are placed on quotas to help conserve our stocks to support the future of the industry—and I commend the minister for the action he has taken in a patient and progressive way in trying to protect the industry in years to come, an industry that could be the greatest industry in the country—while, on the other hand, completely ignoring the need to build up our guardian strength, giving as a lame excuse the lack of funds.

Each year the government keeps reducing the number of guardians and the number of man-hours or man-months. For example, last year the salmon season lasted from May 24 to December 15—and I presume it will be the same this year—but the number of man-hours allocated only allowed for guardians to patrol the rivers for 12 weeks, leaving many rivers unattended for most of the salmon season, which is contrary to the objective of river guardians.

What does this situation invite, Mr. Speaker? It invites poachers to have a field day—in fact, to have several field days. They can poach to their heart's content and literally rape our beautiful rivers, which are the wonderment of sports fishermen who in most cases are dedicatedly objective to the protection of our rivers and who I am sure will be happy with the amendments we are debating today to the bill.

What I find strange, Mr. Speaker, is that while the Minister of Fisheries (Mr. LeBlanc) does not have the funds to keep the guardians on for the whole of the season, but has to lay them off in a good many cases after 12 weeks, his colleague, the Minister of Manpower and Immigration (Mr. Cullen), can continue to pay the same personnel the greater portion of their salary for doing nothing for another 39 weeks. On the other hand, the Minister of Manpower and Immigration has programs, such as the on the job training programs which allow an employer to train personnel—and I do not think the minister's department is excluded—and obtain 75 per cent of their salary. I can only suggest that the minister apply to his colleague for such a program so that he is able to protect our rivers by building up the strength of the guardians.

The minister must recognize the seriousness of the potential destruction of our salmon stocks. The government is inviting poaching because it lacks realism. The minister knows all about this, Mr. Speaker, because, as I said when I started my speech, he has this same problem in his own province of New Brunswick, which has evidently become not only a poacher's haven but, I understand, a prosperous business as well.

Due to the shortage of staff and the length of some of our rivers, particularly in the province of Newfoundland, a fisheries officer, whether he be a warden or a guardian, has to take his life in his hands in that he travels alone, while poachers travel in pairs or in threes or fours. The minister can give a fisheries officer all the powers as a peace officer that he wants, but the problem is that the force is much too weak to provide the service which is needed. Unless the matter is treated with the urgency which it requires, this will be a blight on their responsibility to conserve stocks, an objective to which the minister is dedicated.

I see no reason whatever for not keeping on river guardians for the remainder of the year, especially at the present time when they have to be trained to accept more powers as peace officers, as well as trained in anti-pollution measures which are being introduced in this bill and which will assist in attaining the objectives outlined in Bill C-38.

I receive letter after letter during the salmon season, Mr. Speaker, and I should like to refer to one, among many, from an individual who has the conservation of our salmon stocks at heart. He writes:

> I appeal to you, as a person who is greatly disturbed by the inadequacy of our present fishery in Newfoundland, to do something about providing more protection for our natural resources of fish. This protection should not only be given during the day, but there should be also increased night patrols and more adequate protection for our wardens during this time. Some people (I will classify them as no-nothings since I would rather not put my true feelings on paper) these people think that night patrols should be discontinued, however I can truthfully assure you there is a need for this protection and night patrols must continue no matter what the cost. Any warden who has done night patrols on any kind of a continued basis knows that there is certainly danger involved. What can one or two wardens do when faced by four or five men intent on poaching and not being stopped in the process. By far the greatest percentage of salmon poaching is carried out during the night hours.

I can confirm the statement that this gentleman makes, Mr. Speaker. Last year, during the salmon season, I contacted a fisheries officer in my district and asked him to allow me to visit one of the rivers. We picked one at random, and as soon as we got there we found not only no guardian but that poachers had damaged the fisheries hut, stolen the equipment, caused destruction of the beach and would have got away scot-free if I and the fisheries officer had not by chance made our visit.

Another serious inequity involves the treatment of guardians. It is of interest to note that in this day of inflation fisheries guardians within their headquarters area or patrol area are allowed one 65-cent meal or box lunch per day. This in 1977, Mr. Speaker. I must qualify this by saying that when outside their area of patrol or assignment they receive the regular allowance of $11.45; but a 65-cent box lunch per day for a river guardian who is on duty for only part of the season cannot be reconciled. The only way a guardian can properly fill his stomach and survive is by poaching some of the salmon. One of the guardians in my district has to patrol a 50-mile stretch of river. In view of some recent increases in salary, I would ask how the government can justify a miserly 65 cents box lunch per day. Enough about poachers of salmon, Mr. Speaker; I should like to move on.

It might be worth while to refer at this time to how the act will apply to fisheries officers during the seal hunt and the powers that they will have as peace officers. In this connection, I hope you will allow me, Mr. Speaker, to commend the conduct of fisheries officers during the recent seal hunt.

Some hon. Members: Hear, hear!

Mr. Marshall: The minister can be justly proud of his fisheries officers who participated in the recent hunt. I also want to thank the minister for personally allowing me to visit the hunt and to witness at first-hand the restraint shown by fisheries officers in the face of deliberate attempts to provoke them on the part of the members of the "Greenpeace" organization who caused altercations in an effort to give a distorted image to Canadians of Newfoundlanders and their conduct of the seal hunt. To my mind, this is not only provocative but it is phony: it is ridiculous and it is not Canadian.

• (1650)

This focuses attention on the fact that, while fishery officers will have more power as peace officers, how do you deal with the case of—the adjective I want to use is not parliamentary, so I will use a "bleep". I refer to Brian Davies, who deliberately contravened the seal protection act last year and was still allowed, with complete freedom, to carry out the same misdemeanours again—and he will continue to contravene the act as long as our laws for delays in acting against a man who is conning the public as the great pretender, the great protector of the seals. I ask the minister how he will give the officers more power if cases such as the Davies case are allowed to go on? I hope the minister will further amend the Fisheries Act, which he might have done in this bill, to give better protection to the sealers.

It is worth mentioning that myself and one of the hon. members from the other side, the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey), visited the hunt and saw the attention paid by interested Newfoundland citizens to support us in presenting a petition to the House of Commons. All members have sent out petitions to householders, fishermen and citizens in their districts. I am happy to say that out of the 25,000 I sent out less than a month ago, I now have over 13,000 names in my district on the west coast of Newfoundland alone. I am hoping every good Newfoundlander will sign that petition and gather other names. This is aside from the representation and the support given to us by many community councils and every organization in Newfoundland which knows the traditions and feels for the traditions of Newfoundlanders which have been in existence for so many years.

I will allow some of my colleagues to continue on other aspects of the bill. I hope we will be able to rectify some of the slight anomalies which exist. I would like to commend the minister for his efforts. He has the assurance we will get the bill through as quickly as possible so that we can put teeth into the act in order to protect our fishermen and the valuable stocks which we hope to preserve for the future.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, it is not my intention to hold up the passage of this bill unduly. We must take into account the difficulties in the committee structure as it now exists in this parliament and existed in the previous parliament. I disagree with the words of my hon. friend and neighbour, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), that this will be the place where we can look into these matters. Because of the committee structure, we cannot effectively look into them. Ten minutes for each member to bring forth his point and to get questions put forward are, surely, not enough.

Because we are talking about amendments to the Fisheries Act, I am going to use this opportunity to put on record a variety of matters which concern and trouble fishermen on the west coast. Before proceeding to specific itemization of those problems, as I have said on previous occasions, and as was mentioned by the hon. member for South Shore (Mr. Crouse), I want to make a comment concerning the regulations the minister is empowered to formulate. One other hon. member might have mentioned it as well. We are continually running into this problem. The regulations which the minister formulates, and possibly publishes, are difficult to obtain. I will come back to some of the existing regulations on which fishermen are having great difficulty getting their hands. They do not know the terms under which they are fishing, for example, and they are being regulated by regulations they do not know about. This is not good enough. We should have the regulations in front of us before we deal with this bill.

I make a special request to the minister. He should have draft regulations covering the areas he is planning to change. There should be texts of the regulations before us when this bill goes to committee for study after second reading. This is vitally important. We saw in the maritime code when we were dealing with that matter the fear expressed across the country about those regulations. That made us hesitate to proceed with final reading on that occasion, and there is legitimate cause for fear about this legislation. I ask the minister to bring forward the draft regulations which he is planning to issue using the powers granted to him under this bill.

The first matter of concern to me, and of concern to the fishermen on the west coast, is the Canada-United States fisheries agreement which was concluded rather hastily following discussions in Los Angeles late in February where certain broad terms of agreement were reached, but not sufficiently firm to permit the conclusion of an agreement. Within a matter of a week, in order to enhance and give more propaganda value to the visit which was made by the Prime Minister (Mr. Trudeau) to Washington and the discussions that were concluded there, there was a Canada-United States fisheries agreement concluded at that time.

On an earlier occasion I gave an indication, through presentation of statistics, of the value of the westcoast fisheries to the Canadian economy.

The Acting Speaker (Mr. Ethier): Order, please. The hon. Parliamentary Secretary to the Minister of Finance (Mr. Kaplan) rises on a point of order.

Mr. Kaplan: Mr. Speaker, a number of hon. members wish to speak in private members' hour on notice of motion No. 11. In view of the position we have reached in dealing with the bill before the House, I wonder if there might be unanimous agreement to allow the hon. member to conclude his remarks in private members' hour. I point out that this is the second hour on which motion No. 11 has been before us in this session. The mover has already spoken on it, as have a number of members from both sides of the House.

The Acting Speaker (Mr. Ethier): The House has heard the proposal of the hon. parliamentary secretary. Is there agreement that we allow the hon. member for Esquimalt-Saanich (Mr. Munro) to continue?

Some hon. Members: Agreed.

Mr. Hnatyshyn: Mr. Speaker, I gather the proposal of the parliamentary secretary is that we continue this debate for a few more moments and intrude on the private members' hour. Am I correct in my understanding?

Mr. Kaplan: Mr. Speaker, my suggestion is simply that the hon. member be given time out of private members' hour to conclude.

Mr. Hnatyshyn: I do not think that is necessarily going to solve anything in itself, inasmuch as there are two speakers who want to participate. While I want to co-operate in every way to expedite the business of this government, I think, since it is five o'clock, we should proceed to private members' hour.

● (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for York-Simcoe (Mr. Stevens)—The Canadian Economy—Possibility of industrial strategy to avoid future high levels of unemployment; the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn)—Confederation—Possibility of establishing third organization concerned with unity; the hon. member for Vegreville (Mr. Mazankowski)—Energy—Proposed upgrading facility for heavy oil at Lloydminster—Government position on feasibility report.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. Ethier): Notice of motion No. 16, in the name of the hon. member for Scarborough West (Mr. Martin).

Mr. Paproski: Mr. Speaker, I rise on a point of order. I believe there is disposition to deal with notice of motion No. 11 and to allow the rest of the motions to stand at the request of the government.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, because of the interruption I would like to know whether it is clear to the House that I called it five o'clock.

Mr. Goodale: That is understood.

The Acting Speaker (Mr. Ethier): Is it agreed that all notices of motions prior to notice of motion No. 11 shall stand?

Some hon. Members: Agreed.

Mr. Fleming: Mr. Speaker, I rise on a point of order. I do not want to delay debate in private members' hour, but I want to make it clear, as the parliamentary secretary to the minister responsible for the business which was before the House said, that there was no effort to cause any difficulty. We are anxious that the bill which was before the House until five o'clock should receive fair and reasonable debate.

* * *

EXCISE TAX ACT

SUGGESTION TO EXEMPT MUNICIPAL GOVERNMENTS FROM LEVY OF FEDERAL SALES TAX

The House resumed, from November 29, 1976, consideration of the motion of the hon. member for Vegreville (Mr. Mazankowski):

That, in the opinion of this House, the government should consider the advisability of amending the Excise Tax Act in order to exempt all purchases made by municipal governments from the levy of federal sales tax and in so doing relieve municipal governments of the necessity of imposing additional local taxes to cover such federal sales tax.

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, I am pleased to speak on the motion proposed by the hon. member for Vegreville (Mr. Mazankowski). Municipalities in Canada are facing severe financial difficulties in spite of rigorous austerity measures on their part. Mayor Dan Munroe of Glace Bay, Nova Scotia, president of the Canadian Federation of Mayors and Municipalities, has said that the municipal level of government could disappear from Canada in five years unless there is increased financial support from the federal government and the provinces. Mr. Munroe said, further, that property taxes cannot be expected to continue to pay for all municipal services. The situation facing many municipalities is so serious that Mr. Munroe was prompted to say on their behalf:

We don't have money even for basic services now. I don't think the importance of our problem is being recognized at other levels.

That is a direct quote from the Ottawa *Citizen* of December 13, 1976. Recent increases in the consumer price index are especially distressing in the context of this motion, when we realize that such an index reflects increases in municipal tax rates. Another increase in municipal tax rates is likely because of rising costs in local government, so the Canadian citizen faces yet another inflationary blow to the power of the dollar. Municipal tax rate increases are reflected directly in the consumer price index.

Municipal taxes form 2.8513 per cent of the expenditure basket upon which the consumer price index is based. As a result, a 10 per cent increase in municipal taxes adds nearly one-third of 1 per cent to the rate of inflation. The impact of municipal tax changes to the consumer price index is nearly as great as the impact of changes in the mortgage interest rate. There is a great hue and cry by the financial community, and in newspaper editorials, when mortgage rates change. But who takes up the cry when hundreds of small and large towns must raise taxes to cover rising costs?

The gravity of this increased financial burden at the local level can be seen in the extreme pressure it places on people with fixed incomes who have spent their lives paying for houses as a retirement investment, only to find that increasing property taxes are turning their retirement dreams into nightmares.

One of the most challenging problems facing Canada today is that in ten years the senior citizen section of our nation will double in population. It is imperative that we do something positive to keep people independent and in their homes as long as possible. We simply cannot construct homes for the aged to cope with this increase. Then, too, the great human benefits that come to our citizens when they can remain independent of assistance as long as possible are part of a quality of life in Canada which we all seek. The removal of this property tax burden is part of the answer to this problem.

The anti-inflation white paper contained a commitment by the federal government to reassess the costs to the economy of its programs, rules and regulations. Surely, this tax by one level of government on another represents a cost to the Canadian economy, not to mention the fact that such a situation runs contrary to the basic principle of common law that the Crown should not tax itself.

As has been pointed out by the hon. member for Vegreville and others, much attention is paid to municipalities as centres of Canadian life and generators of employment. Funds saved by municipalities by the removal of the tax burden in question could be valuable sources of financing for programs at the local level or, better still, for decreased taxes. Instead of a circular type of financing in which we tax local governments to generate funds for the federal government and then see Ottawa use that money in programs such as Canada Works or, as it is commonly known, "Liberal works" which are imple-

mented back at the local level, would we not serve the Canadian economy better if we left this money with local authorities?

In this say Canadians would gain money previously spent on administration, collection and other areas of red tape. As well, more of the responsibility for local problems would be in the hands of municipal governments which are closest to the people and can respond to local situations. My experience with local municipalities is that they know best what their people need. It is not always what provincial or federal authorities deem to be in their best interests. Municipalities in Canada face numerous difficulties of administration as they try to sift through the complex of exemptions and inclusions which appear in the Excise Tax Act.

Water treatment plants have now been made exempt under the act, but certain equipment is taxable. In a water treatment plant, a pipe on one side of a wall may be taxable, but the same pipe can be exempt from taxation if it is connected on the other side of the same wall. As I have said in this House before, if the sales tax was removed from electrical supplies, as it has been with water treatment equipment, just think what it could mean to subdivision costs, thereby lessening the cost of new home building. When a bridge is built, the guard rails on it are exempt from taxation. However, the materials used in the road leading up to the bridge, including its guard rails, are not exempt.

A day-care centre, if properly registered with the Department of National Revenue, still pays federal sales tax on equipment which it purchases, but receives a rebate for such moneys. The effect of this situation is to force a municipality the size of Ottawa-Carleton to add two additional accountants to its payroll in order to administer the bookkeeping necessary to claim a rebate.

Municipal fire department buildings are taxed, but fire hoses and couplings are not. A municipality which runs its own printing service will find that materials used in that operation are taxed on the basis that such printing service is in competition with local private printing businesses. This is a fair and logical situation. However, municipalities' building and maintenance of road and water services is not done in competition with other businesses, and yet taxes are still levied on the purchase of equipment necessary for those projects. If we apply the rationale which seems to be involved in the Excise Tax Act and its provisions, perhaps the government should consider taxing the Post Office since it operates in competition with private courier services.

The complicated nature of the Excise Tax Act means that much unnecessary time is spent by municipalities separating potential purchase items according to whether they are exempt from federal sales tax as well as on the actual paperwork for the taxes themselves. These administrative costs can present a substantial burden in time and payroll to Canadian municipalities, especially smaller communities. The whole matter of preparing bids for capital expenditures is greatly complicated by this maze of exemptions and non-exemptions.

• (1710)

The increased cost for this "sheep and goats" situation can only be financed by municipalities through an increase in property taxes which, as has been mentioned, is a shrinking source of funds and causes great hardship for people on fixed incomes. If a municipality is forced to borrow in order to finance capital expenditures made more expensive by federal sales tax, such loans are only available at rates higher than those which the federal government can borrow.

In one department of one municipality alone, the savings which would accrue from the exemption of municipal governments from federal sales tax is very significant. In the transport and works department of the regional municipality of Ottawa-Carleton, the withdrawal of federal sales tax would lead to a saving of $450,000 on the 1977 budget. As well, similar exemptions applied to the 1977 construction program would gain an additional $250,000. Thus, Mr. Speaker, one department of one municipality in Canada would realize $700,000 from the exemption of federal sales tax—money which could serve the needs of Canadians in their local communities.

The duplication of services and double taxation is all the more distressing in the inflationary times which Canada faces today. The *Globe and Mail* of May 11 reports the former auditor general, Maxwell Henderson, referring to the $45 billion budget the federal government brought in this year, as saying:

> That $45 billion is fuelling the fires of inflation, and we should cut spending by 10 per cent each year until it's cut in half to $22 billion—it's feasible.

If the federal government spending could be cut by one-half, why is it necessary to tax Canadian municipalities in their efforts to provide services to their citizens? In closing, Mr. Speaker, I would like to direct the attention of the House to the words of Jules Renard, a Frenchman of letters and former mayor of Chaumot. Renard said:

> I know at last what distinguishes man from animals: financial worries.

Some hon. Members: Hear, hear!

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, I appreciate the opportunity to talk on this very worth-while motion, even though I have some problems with it. I come from a large suburban riding and I am aware of the tremendous problems that face municipal taxpayers as a result of the increased costs faced by municipalities which they have had to pass along to taxpayers.

Without reflecting in any way on the riding of the hon. member for Vegreville (Mr. Mazankowski), if there is a burden faced by small communities, and special arguments can be made for exemption of equipment and materials they buy under the Excise Tax Act, then certainly there are different but equally important arguments for huge metropolitan areas with dense populations. These and other factors make it worth while considering the merits of the motion.

At the outset I want to recognize that the motion does not, in principle, call for something new in the sense that the Excise Tax Act currently exempts from federal sales tax a comprehensive list of articles and materials sold to or imported by municipalities for their own use and not for resale. Included in the list are exemptions of which some hon. members may not be aware, such as goods for use in water distribution, sewage or drainage systems, materials and machinery used in the construction of municipal incinerators, culverts, equipment at a price in excess of $500 per unit specially designed for use directly for road-making, road-cleaning or firefighting, but not including automobiles or ordinary motor trucks, fire hose, including couplings and nozzles. Only in the last year or so have couplings been perfected by researchers and scientists.

I am sure the hon. member for Wellington (Mr. Maine), who is very interested in research and development in Canada, will be glad to know that there has been designed what is called a "unisexual" coupling for fire hoses. This is terribly important when there is a fire and experts move quickly to put together the hoses to reach the source of the fire and put it out. Certainly, it is going to be terribly important in fighting forest fires. Exempt, also, are fire truck chassis for the permanent attachment thereon of firefighting equipment for use directly in firefighting.

It can be seen from the long list of exemptions that there are some allowances in this area now, and that they relate especially to where municipal governments have very serious responsibilities. They must spend money to do these things in order to protect their citizens. The government of Canada has recognized this and has allowed forgiveness in a number of areas. Federal sales tax also has been removed from larger trucks and most types of construction equipment. Consequently, municipal purchases of most garbage-handling equipment, and virtually all major road construction equipment, are currently exempt from federal sales tax. Certified public hospitals are not required to pay federal sales tax on any of their purchases, and libraries and schools are exempt from federal sales tax on most of their purchases. In addition, municipalities are also exempt from payment of the 10-cent per gallon special excise tax on gasoline.

Whatever else comes out of this debate, and whatever conclusions are reached, it cannot be argued that the federal government has not already gone a very long way to try to understand the problems of municipalities and the burdens on municipal taxpayers. Even though the government has its obligations, it has tried to collect revenues in order to meet its commitments and responsibilities under the constitution and has made a real effort to co-operate with municipalities in essential areas.

The primary justification for providing federal sales tax exemptions for municipalities arises from a desire to provide indirect financial assistance to local governments. Municipalities fall under the legislative jurisdiction of the provinces and it is always difficult for the federal government to come directly to their financial assistance. Indirect financial help through sales tax exemptions is one way of achieving this result. I suspect that this amount of money is very significant to them, and I should like to go into some detail of the dollars and cents involved.

I might also point out that the federal government has taken important initiatives which are of indirect financial assistance to municipalities. For example, a decision by the federal government in 1973 to include the school-purpose portion of municipal property taxes in the formula for calculating federal equalization payments results in an annual payment of approximately $225 million to the provinces. This money is passed to the provinces unconditionally and would be of indirect benefit to the municipalities. Another important federal program which indirectly would ease the burden on municipalities is the funding by the federal government of 50 per cent of the cost of certain secondary education programs. Fifty cents out of every dollar spent on post-secondary education, of course, for some time was applied to the provinces from moneys garnered by the federal government.

The hon. member for Vegreville will also be aware that the federal government provides significant funding for the operation of hospitals and the financing of medicare programs. These contributions are of significant indirect financial benefit to the municipalities. This cannot be done directly under the constitution.

Each year, municipalities press vigorously for further sales tax exemptions. In this regard, some of the exemptions they now have are opposed by private contractors who claim that they face unfair competition from municipalities using tax-exempt equipment. Their concern was especially evident prior to the government's decision to remove federal sales tax from most construction and transportation equipment. I am sure some hon. members remember that battle royal.

The matter of equity for those small contractors is one of concern in a constituency like mine. A great many new Canadians work for those small firms—not the big wealthy operations—who count on being able to have access to and tender for municipal contracts. They would certainly be at a disadvantage if the motion before us were successful.

● (1720)

It is also worth noting that the federal government does not itself have an exemption under the Excise Tax Act with respect to any of its purchases. Also, the provinces, which are much more closely related to the municipalities than is the federal government, are much less generous than is the federal government in providing exemptions from provincial sales taxes for municipal purchases.

A matter which is perhaps more significant is that the present objective of the federal government and several of the provinces is to move to a system of reciprocal taxation for accommodating taxes in the area of intergovernmental taxation. That is a pretty complicated phrase. Let me try to explain it. Under this system, the federal government would pay provincial sales taxes on all taxable purchases from a given province and the provincial government would pay federal taxes on their taxable purchases. Any move to enlarge the list

of exemptions from federal sales taxes on municipal purchases would, therefore, be contrary to that general objective toward which we are now working.

Finally, it should be emphasized that many municipal purchases are currently exempt from federal sales tax. The major categories of goods purchased by municipalities which are presently subject to federal sales tax include construction materials, taxed at the reduced rate of 5 per cent, automobiles, office furniture and equipment. If additional sales tax relief were to be provided to the municipalities, this would result in significant loss of revenue which would have to be made up from tax increases in other areas. Therefore, it would be a matter of giving with one hand and taking back with the other.

Let me say that as a member of parliament I am frustrated when constituents complain to me about their municipal taxes since I, as a federal representative, have no direct control over the level of municipal taxation. The federal government provides hundreds of millions of dollars worth of grants to assist provinces and municipalities, but finds that officials of lower levels of government do not feel as great a responsibility with respect to the spending of funds as members at the federal level. Officials at lower levels are not directly responsible for the raising of money; hence they do not feel such a great responsibility in spending it. By being able to acquire grants and other assistance from the federal government, they have ready access to money for which they have not had to impose direct taxes on the public.

Although the hon. member's proposal has merit, it would be difficult to argue that the federal government has not been generous. It has recognized need and backed that recognition with indirect payments made in a number of ways to relieve the burden of costs for equipment and materials which must be borne by municipalities. As well, the government's responsibility in spending is restricted to the spending of those moneys over which under the constitution it has direct powers, these being moneys with respect to the collection and spending of which the government is answerable to the electorate.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my intervention in the debate on the excellent motion proposed by the hon. member for Vegreville (Mr. Mazankowski) will be brief. Speaking as a former municipal official, I am aware how frustrated municipal governments are and what problems they encounter in their attempts to raise money through taxation. The municipal government is government closest to the people and also the first to bear the brunt of taxpayers' criticism. The provincial government is somewhat more remote from the taxpayer. We, in these hallowed halls of the so-called highest level of government, are even further removed. We can impose taxes and the people can yell, but because we are so far removed from them there is little they can do.

I served on a municipal council for 31 years. For 26 years I served as reeve of a small municipality. I also served for many years on provincial organizations such as the Ontario mayors and reeves association and, latterly, on the association of municipalities of Ontario. Time and again, when resolutions would come before that association it was resolved that the request supported by the municipal organization requesting the discontinuance of federal sales tax on municipal purchases should be forwarded to the federal government.

I note the comments of my colleague from Ottawa-Carleton (Mrs. Pigott). The savings she mentioned would come to a staggering amount in a city the size of Ottawa. She suggested, I think, that if the motion were adopted it would enable the city of Ottawa to save close to half a million dollars in one month alone. The money which could be saved in a large metropolitan centre like Toronto is so large as to be difficult to visualize.

I also note the remarks of the hon. member for York West (Mr. Fleming). In addition to the items he mentioned, municipalities must buy equipment such as road machinery, fire trucks, and so on. Therefore, without question, adoption of the proposal would bring the municipalities great relief. I suggest that the point the hon. member raised is almost an argument for going the whole way. The government allows some exemptions now. I ask, why make the municipalities the bookkeepers and collectors of additional taxes levied with respect to pencils, paper and various other items municipalities use items which form a small proportion of the total value of the materials purchased? I know that the representatives of many municipalities feel as I do.

Some years ago there were 951 municipalities in Ontario. That number was reduced with the creation of new forms of government such as regional municipalities and the amalgamation of small municipalities. Today I believe there are in excess of 700 municipalities in Ontario. I feel that the federal government should say, in this particular case, "Why should we tax little brother, our municipal government, or our little grandson," as the case may be, "and extract the last pound of flesh. We do not want to tax in that manner. Therefore, the Department of National Revenue, excise division, will provide the municipalities with the necessary relief."

I say, why not be magnanimous, why not go the whole way and not collect such taxes from municipal governments? Our municipal governments are having a tough time raising money, most of which comes from real estate taxes. True, some people in the municipalities may have fair-sized homes, but their incomes are not necessarily in keeping with the size of their houses. If this motion were to pass and municipal councils could thereby save money, I am sure that they would channel these savings in the proper direction. For all these reasons, I hope the government will approve this motion.

Mr. J. Larry Condon (Middlesex-London-Lambton): Mr. Speaker, the hon. member for Vegreville (Mr. Mazankowski) proposes in his motion that the federal government should exempt all purchases made by municipal governments from federal sales tax. As an old municipal politician, I know the value of tax exemptions. As was made clear, the federal government is at present doing a great deal in this field. The hon. member on my side of the House spoke of many ways in which the federal government helps municipalities. I find it strange that the hon. member for Parry Sound-Muskoka (Mr. Darling) should complain bitterly about the federal govern-

ment's power to collect taxes from municipalities, since his party in Ontario has, with the formation of regional governments in some cases, increased tax loads three or fourfold over their original level in the individual or smaller municipalities.

Mr. Alexander: Nonsense.

Mr. Condon: The hon. member has failed to recognize that.

Mr. Alexander: Nonsense. You don't know what you are talking about.

Mr. Condon: I remember attending a convention of small municipalities in Parry Sound some six or seven years ago. The announcement was made that Huntsville was to be included in the regional area.

● (1730)

The people in those municipalities seemed to be happy about it. They obviously did not know what was going to happen in the long run. They were happy because they thought they would have a broader tax base. They certainly did not realize that with a broader tax base you need a bigger bureaucracy and are farther away from the little people.

Mr. Darling: Parry Sound hasn't got it.

Mr. Condon: Neither has Strathroy. It is a difficult position we find ourselves in here because of the constitutional problem. The provinces, of course, have great sway over the municipalities, a lot more than the federal government.

If we are going to look at a new and revitalized constitution, we realize that we have to take care of the inequities, not only in the regions but also in the provinces and municipalities. It is time that the small municipalities and the Canadian Federation of Mayors and Reeves or the Canadian Federation of Mayors were involved in this dialogue. If we are going to look at a new and revitalized constitution to bring us up to date in the seventies, these people in the municipalities have to be involved. As the hon. member for Parry Sound-Muskoka (Mr. Darling) mentioned, they are the grass roots people, the ones who realize the problems of the local areas. An individual member has cognizance of the local problems, but sometimes we are a little too far removed from the people paying the taxes.

It has been proven in the past that when the government gets away from the people, it loses contact. If the constitutionalists get together, I am afraid they will not get the input from the people who will make this country work and make it run properly.

They have ideas at the municipal level. At one time I was a member of the Canadian Federation of Mayors and Reeves and also of the small municipalities organization. I thought the talk at those conventions and the ideas that came from the small municipalities and the middle and larger municipalities has a more common sense base than we sometimes see federally or provincially. The mayors of those municipalities know the problems of taxation. They have been pushed in a corner over the past 50 or 60 years because of their lack of tax base.

As I mentioned previously, I certainly agree with this motion of the hon. member for Vegreville (Mr. Mazankowski). We should support tax relief for the municipalities at all times because it is a double taxation. We are taxing them and they are taxing the people. We get money on one side from the federal tax and retax through the municipality. Because of their short and small tax base, they do not have the opportunity to have the taxing power they should possess. This could be done through constitutional change, but it is a two-way street. The provinces have to realize, maybe even more than the federal government, how much they have usurped the municipalities chance of taxation. This is for many reasons, maybe because bigger was better at some time in the past. Anyway they seemed to believe that. The municipalities know it is not true.

The municipalities are restricted so much in their taxing policy that their hands are tied. They are tied to the ordinary cost of increase on a current basis. Also, they are tied because of the major grants that come in. The municipalities have to come up with 20 per cent when somebody gives them 80 per cent. The tax dollar is a dollar that is spent federally, provincially, or municipally.

Another problem in the tax base is education. The municipalities are just a collecting agency for that. Indeed they are a collecting agency for which work they get no remuneration. If it were not going too far, I would say that maybe the school boards should collect their own taxes. However, I am afraid that would just add another bureaucracy.

Mr. Darling: Your council would like that.

Mr. Condon: I am sure the hon. member for Parry Sound-Muskoka would agree wholeheartedly. It was very difficult when I was mayor. You worked like a son-of-a-gun to try to keep your mill rate down to a 1 or 2 per cent increase, and the school board would hop in with a 20 per cent increase.

What jurisdiction would the school boards have if there were a change in the Constitution? Should there not be some power for the boards which represent the same people? This is one of the problems we will have to face when it comes time to look at the constitution.

When looking at the Constitution in the future, the Canadian Federation of Mayors and Reeves should be represented. They are the people who know the problems of the municipalities. There are very few people in Ottawa and Toronto who know those problems. I saw some of the problems the people from Toronto had when they tried to jam regional government down our throat in the London area. Because they were so far away, they had a problem finding the town hall. But they came from Toronto to tell us how to run our cities and towns.

Although I strayed off the matter of excise tax, I hope that some of these proposals of the hon. member for Vegreville will be followed through. I hope there will be a complete review of

the tax structure for all of Canada in any planned constitutional change, which I hope we will have very soon.

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I want to enter this debate to make a very few comments. I want first to compliment the mover of the motion. It is a good motion, it has merit, and certainly should be debated in this House.

The municipality I come from certainly has some problems in raising the amount of revenue to answer all the demands that people living in the municipality place upon it, largely because it is a very fast growing municipality. At one time everyone thought that growth was a good economic thing. However, most municipalities are now finding that it is very costly.

I want to make a couple of comments on one or two points of which we should not lose track. First, there is a very fundamental point in terms of taxation. Whatever level of government is providing a service should be the level of government that is taxing for that service.

I would be very concerned if, over the years, the federal government became nothing more than a taxing organization and transferred most of the taxes it collected to the provinces which, presumably, in turn transferred a portion to the municipalities. That is a trend that has taken place over the past five or ten years. It has not been very healthy in our system of government whereby more and more or our federal tax revenues are transferred to the provinces and more of the provincial revenues are transferred to the municipalities.

I agree with the previous speaker in making the comment that as we enter into the national unity debate, particularly from a constitutional point of view, we should look at this point. In other words, we should redefine not only what might be the federal powers and those of the various provinces, but most definitely we should talk about what the powers of the municipalities should be as well. There are certainly responsibilities as seen by municipalities that might be as well or better handled by the provincial government, the same as there might be responsibilities carried out by the provincial government that should be vested with the federal government.

Most of the conversation we hear now about the Constitution deals with how much power the federal government should give to the various provinces. It should be on the record that there is a case to be analysed for three levels of government and to sort out clearly which ones have responsibility for which functions, and in turn look at the financing of them. That would be a much healthier situation than we seem to have at the present time where we are looking more and more at the federal government as a broad taxing organization, hoping that the taxation so raised is transferred to the provinces and passed in turn to the municipalities.

● (1740)

The whole question of accountability should surely be considered. If we go further in terms of exempting certain bodies from taxes, from increasing revenue passing from one level of government to the other, it seems to me it makes it almost impossible for the taxpayer to hold the various levels of government accountable for the taxation policies they have been following.

It seems to me another argument could be set out too, that is, whether an across-the-board exempting of federal sales tax is really effective in helping a municipality, or whether a municipality would be further ahead if it argued successfully for the federal government to take on as a share of the cost of some programs. Coming from a municipality which probably has one of the highest growth rates in Canada, I think one of the best things the federal government has done to aid that municipality for some time was under the federal housing action program whereby the government recognized the high cost faced by a municipality such as Brampton where such a large number of new homes are needed each year, and made available $1,000 per housing unit in accordance with criteria set out under the program. This seems to me to be a more useful approach than an across-the-board exemption from federal sales tax, because it speaks directly to a specific concern.

I also want to raise a concern which has been voiced by a number of municipal people about a program which, at the present time, is a very costly one to municipalities, that is, the arrangement for dealing with children who are in conflict with the law. Many times, when this situation arises, the court will determine whether these children should be looked after by the Children's Aid Society or whether they should be placed in private homes or homes run by private organizations. Of course the court makes the best determination it can, but a very different financial obligation depends on the decision. In one case the municipality gets a substantial amount of grant; in the other case the entire cost of the court decision falls upon the municipality. It seems to me we should be looking at some of these specifics and discussing how such a problem as that should be best handled by the sharing of the cost, rather than an across-the-board exemption of federal sales tax to municipalities.

When I was listening to my hon. friend from York West, I was impressed by the long list of articles municipalities can purchase free of tax. I was not aware that the tax exemption of municipalities was as wide as it is. But in spite of the long list read by the hon. member one could add a couple of more current exemptions which are very significant. One is the removal of federal sales tax from urban transit equipment. This was done to answer a very specific need, to promote urban transportation and to reduce the cost of municipalities. That is as it should be, because it is a national concern.

In the same category is the removal of federal sales tax from insulating materials. Energy conservation is the concern of every Canadian and this is a way by which the federal government wanted to assist in promoting energy conservation; it is doing this by means of a financial incentive which shows up.

I would rather see the federal government look at some of the specific programs which are difficult for municipalities to

handle, and perhaps participate in them, as opposed to giving across-the-board exemptions from federal sales tax at the municipal level. If tax exemptions are too wide you introduce the whole question of unfairness into the tax system in that some people are required to pay and others are not. One concern often expressed recently is that governments at all levels, including the municipalities, should be using private sector services a good deal more as opposed to employing people and building up a staff to handle all their problems in their entirety. If you were to exempt the municipalities across-the-board from federal sales tax it would go the opposite way to that argument.

In most cases it would be cheaper for the municipalities to do things themselves than to contract with the private sector which would be forced to pay purchase tax and which could therefore not compete on an equitable basis with the municipalities. I do not think that would sit very well with the private sector. They would have a very valid complaint if they were asked to be prepared to tender against the cost at which a municipality could carry out the service when the municipality was able to purchase whatever equipment or material it required free from sales tax. The hon. member might think about that aspect before pursuing the motion further.

I think all municipalities, in conjunction with the majority of provinces, and most certainly the federal government have worked very hard at keeping government expenses under control. Yet as I understand it, particularly in Ontario, the municipalities are obligated to budget for and collect school taxes without having any jurisdiction over what that level of taxation should be. I understand that the municipality I come from will this year issue separate tax notices to draw the attention of the people living in the municipality to which level of cost is which; people then can make their own judgment as to how prudent the municipality has been versus the education authority. I do not want to become involved in that debate except to raise the point that I think this is one of the concerns that municipalities have. It is the total tax bill that they have to present to the taxpayer that concerns them when they have some very legitimate programs that they want to proceed with and yet, of necessity, they must draw back because of increased education costs. I think this is the genesis of the pressure reflected in the motion. But the previous speaker made a good suggestion when he said that each level of jurisdiction providing services should be responsible for its own taxation. That is probably the better answer.

I just wanted to participate in the debate in order to raise two or three points which came to my mind as I was listening to the opening speeches this afternoon. I return to the point that we need to be very careful, in terms of our over-all taxation policy, to keep accountability within the jurisdiction which is providing the services. If you exempt municipalities and other bodies from federal sales tax, as has been suggested in a number of private members' bills and motions, you arrive at a situation where the federal government becomes a major taxing body whose programs consist mainly of transferring revenue to provinces. To my mind, this would not be in keeping with federal taxation law. I appreciate having had the opportunity to add a few words to this debate.

[Mr. Milne.]

Some hon. Members: Question!

The Acting Speaker (Mr. Ethier): The hon. member for Wellington (Mr. Maine).

Mr. Paproski: Shame!

Mr. Baker (Grenville-Carleton): Wasting the time of the House!

Mr. Frank Maine (Wellington): I am not wasting the time of the House. I am talking this motion out. I think it is time we called an end to this farce we call the private members' hour and what goes on here, aided and abetted by the official opposition. They claim to be helping dispose of this matter, but what did the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) do but fill the House with hot air and righteous indignation when he said they do not want to carry on with the bill but want to get on with private members' business. You know darned well—

• (1750)

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Paproski: Get on to the subject.

Mr. Maine: I am getting on to the subject. I am getting on to the subject that this motion is going to be talked out. Hon. members opposite should appreciate the fact that this motion has already been debated for one hour. The motion has been brought forward and discussed, the position of the government has been stated, and several members have elaborated on this.

Mr. Hnatyshyn: Then let us vote.

Mr. Maine: We sure do have a lot of hot air coming from Saskatoon-Biggar this afternoon, Mr. Speaker.

An hon. Member: There is plenty on that side too.

Mr. Maine: You are going to have five more minutes of it because this motion is going to be talked out and that is the position of the government. It is about time we changed the rules of this House and brought them more up to date, instead of this ridiculous nonsense of wasting the time of the House on matters on which we have already decided. Let us get on with business which is much more pressing and important to this country in this day and age. It is about time the House realized that we have to get into this century and bring the rules of the House up to date, instead of the procrastination and hot air nonsense which comes from the hot air twins from Saskatoon and Edmonton.

Mr. Mazankowski: Mr. Speaker, I rise on a question of privilege.

The Acting Speaker (Mr. Ethier): Order. The hon. member for Vegreville (Mr. Mazankowski) is rising on a point of order.

Mr. Mazankowski: Mr. Speaker, I regret to interrupt at this time but I think the hon. member is casting a reflection upon the intent and purport of the motion, which I advanced in good faith. I was sincere in the issue which I brought forth, and it is certainly not becoming of him to suggest that the issue which I brought forth in this Chamber for debate is frivolous, empty, and meaningless. I mean this most seriously. I think it is casting a reflection upon all members of the House, and I hope he will either withdraw or get on the right track.

Mr. Paproski: Withdraw.

Mr. Kaplan: Mr. Speaker, on the point of order, as I understand the remarks of the hon. member he was reflecting not on the motives of the hon. member or on his intentions in bringing this very worthy motion forward, an issue about which there is a lot of public debate, but merely on this sterile practice which the private members' hour has become, and which I think our Committee on Procedure and Organization has recognized certainly ought to be improved.

Mr. Baker (Grenville-Carleton): Mr. Speaker, on the same point of order, the member whose remarks caused the interruption on the part of the hon. member for Vegreville (Mr. Mazankowski), which I think was a justifiable interruption, made the intention of the government with respect to this matter absolutely clear: he was put up purely and simply to talk out the motion.

I want to say to the hon. member, through you, Mr. Speaker, that that is a questionable practice which has carried on for much too long. There are a lot of good private members' motions, and one of them is the one advanced by the hon. member for Vegreville. This attitude, which has been now expressed openly and honestly for the first time, of talking out that which is good, if it is advanced by a member of the opposition, if it deals with a point which the government may not agree with, has now become the order of business of this House. I hope that members in this Chamber take note of this reprehensible practice on the part of the government, which serves to denigrate private members' business in this Chamber.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I was going to ask the hon. member whether he would accept a question, although my friend from Grenville-Carleton has made the point. Did I understand the hon. member to say that the reason he is talking this motion out is because it was a government decision to do so?

Mr. Mazankowski: That is what he said.

The Acting Speaker (Mr. Ethier): Order. I think all hon. members who have participated have made their points very clearly. I doubt if the hon. member for Wellington is directing his remarks to the intent of the mover of the motion. As I heard it, he was making remarks about the hour for private members' business, but I hope he will address his remarks to the motion before us.

Mr. Paproski: Answer the question.

Mr. Maine: First of all, Mr. Speaker, I should like to answer the question raised by the hon. member for Vegreville (Mr. Mazankowski). I was certainly not imputing any motives to him in proposing his motion. I was saying that the decision had been made as to the disposition of the motion, and that that action had been taken. As to what followed, I was referring to the action of some hon. members opposite, and that is what I meant when I said the comments were fanciful and frivolous.

Mr. Alexander: We will see the blues.

Mr. Knowles (Winnipeg North Centre): Is the hon. member a government puppet?

Mr. Maine: No, the hon. member is not a government puppet. The hon. member is trying to help the government succeed with its business, and that business has decided that this motion will not come to a vote in this hour. I am doing my best to help make sure that that comes to pass.

Mr. Paproski: Now we know.

Mr. Maine: It is about time you woke up if you did not know that before now. I do not know how long hon. members have been here, but if they have not learned that before now, they have been awfully slow in learning, Mr. Speaker. May I call it six o'clock?

Some hon. Members: No. Question!

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, the hon. member for Vegreville (Mr. Mazankowski) is to be congratulated for having brought up this question in the House. It has not only stimulated our thinking but in the past hour has allowed several members to come forward with a number of good ideas and suggestions. I was particularly intrigued by the thought expressed by the new member for Ottawa-Carleton (Mrs. Pigott) that favourable consideration of this proposal might eventually find its expression in a reduced tax which would benefit the municipal taxpayers at large.

To me, Mr. Speaker, this motion raises a very interesting subject, as it does to many of us who have, to some extent, a municipal background. We know from experience that in this country taxes are levied on municipalities by the provincial government as well as the federal government. At the same time municipal governments levy taxes on provincial governments and the federal government, or payments in lieu of taxes, so that there is a give and take on either side.

Contrary to what has been said by previous speakers in this debate, it seems to me that there is no need to change our Constitution in order to bring about a better deal for municipalities. It is a well known fact—

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

FISHERIES ACT

MEASURE TO AMEND CRIMINAL CODE IN CONSEQUENCE THEREOF

The House resumed consideration of the motion of Mr. LeBlanc (Westmorland-Kent) that Bill C-38, to amend the Fisheries Act and to amend the Criminal Code in consequence thereof, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, before I called it five o'clock I indicated it was my intention not to delay the bill but to make use of this opportunity to set forth a number of the concerns and worries of the fishermen on the west coast. Many of these stem from the recently concluded Canada-United States Reciprocal Fisheries Agreement which was signed, as I recall, just following the visit of the Prime Minister (Mr. Trudeau) to Washington at the end of February. That document has not been referred to the committee so far. I am not even sure it has been tabled in the House. I feel it is one of the documents we should have available to us. I would ask the minister to make sure it is tabled in the House at the earliest opportunity because it is difficult to make specific reference to it without having the document in front of us, although there are a number of problems that have arisen out of it.

The purported purpose of the agreement was summarized in a document which reached me last week from the Pacific Trollers' Association. It is worth reading because it is pertinent to their present worries. The document reads as follows:

> The bilateral agreement between Canada and U.S.A. sought to maintain fishery of both countries in accordance with existing patterns.

I see the minister nodding his head. This is what they were trying to do. It goes on to say:

> Whilst both countries recognize that each has the right to manage fisheries within its jurisdiction within the terms of its domestic laws, the agreement nevertheless clearly spelled out that in the application of domestic laws, the contracting parties shall be guided by the principles of:
>
> (a) preserving existing pattern of reciprocal fisheries; and
>
> (b) in the case of reciprocal salmon fisheries, recognizing the interest of the state of origin in salmon spawned in its rivers.

This is a very good summary of the convention, as I understand it, but I do think it would be useful to have the text in front of us.

● (2010)

We are not sure whether the terms of this interim agreement have been fully implemented, because the ink on this agreement was barely dry when there was a recommendation by the U.S. Pacific Regional Council which, to my understanding, undercut some of these principles. Here again I would like to cite this brief of the Pacific troller men because I think it sets forth their concerns as they see them. I am sure these are more than perceptions; these are facts which are facing fishermen today. The brief states that the fisheries plan of the United States Pacific Regional Council, which has now been promulgated into law, stipulates closures from April 15 to April 30, June 1 to June 30, and after September 15 north of Tillamookhead, and prior to the cohoe opening on July 1 mandatory use of single barbless hooks on all terminal gears. With the exception of the mandatory use of single barbless hooks such regulations which take 12 weeks out of the normal 26 weeks fishing in the area not even aimed at conservation.

What is worrying fishermen—and I am not sure this message is getting across to the Minister of Fisheries and the Environment (Mr. LeBlanc)—is that this denies one of the principles, if not both of those principles, underlined in the reciprocal agreement, that is, preserving the existing pattern of reciprocal fisheries.

Here is a unilateral action by one country, changing the terms under which fishing may be done in its waters. Granted, it is domestic law, but it is well known that Canadians fish in U.S. waters just as U.S. fishermen fish in our waters.

Second, "They should recognize the interest of the state of origin in the salmon spawned in its rivers." This new recommendation by the U.S. Pacific Regional Council is likely to affect the salmon heading for the Fraser River. In other words, the United States unilaterally has made decisions about the fish heading up to the Fraser River. The use of gear, of course, is another unilateral decision.

As I indicated, the troller men in B.C. are worried about these moves, and having heard not only from troller men but also from others in the area, I feel there is a danger of retaliation by way of a request to close Canadian waters to U.S. fishermen. We have heard of the cod war in the waters of the North Atlantic. I do not think we want to see a salmon war on the Pacific coast, but unilateral actions of this kind, which belie and undercut an agreement which was concluded in good faith between both parties, could lead to some unfortunate actions.

On April 4 of this year I asked the Secretary of State for External Affairs (Mr. Jamieson) about an aide mémoire, which I had been told was left with the State Department in Washington, concerning the application of certain domestic regulations to the fisheries on the west coast. As I understand it, that was a secret aide mémoire. There was some misunderstanding. My question appears at page 4592 of *Hansard*. I asked that that aide mémoire be tabled in the House. There has been no reaction from either the Secretary of State for External Affairs or the Minister of Fisheries and the Environment. However, there is a sneaking suspicion in everyone's mind that this aide mémoire gave the U.S. authorities permission to go ahead with taking unilateral decisions affecting the fisheries off the Pacific coast. If that is not so—and I see the minister shaking his head in obvious disagreement—then I

[The Acting Speaker (Mr. Ethier).]

suggest that the minister table this memorandum along with the reciprocal agreement so that we may all see them.

Of great concern to fishermen on the west coast are the consequences of the implementation of what is known as the Judge Boldt decision on Indian fishing. This gives U.S. Indian fishermen special rights, and as I understand the traditional principles underlying our reciprocal arrangements, the 50-50 split between Canadian fish caught by American fishermen and American fish caught by Canadian fishermen includes those fish which are taken by treaty Indians.

There has been a follow-up on this decison, and on my way back to Ottawa from my riding over the weekend I picked up the Sunday paper and there, large as life, was an account of where this might be leading. It is causing concern to a different group of fishermen because it seems that the United States granted the Indians the right to fish beyond the 12-mile limit with gill nets out in that area where they will have the first take of the fish coming into the Straits of Juan de Fuca. Whether this fear is real or imagined, it is there. It is causing fishermen concern, and I think this has to be examined very closely.

I mentioned the danger of a fish war off the coast. That is the kind of talk which appears in this article. I do not like to see it. I feel that the whole issue of the settlement of the division of the catch has to be dealt with immediately. The reciprocal agreement is fine provided it is lived up to, but it looks as though it is being undercut at every turn, and I therefore implore the minister to make sure that his officials are either inviting their counterparts from Washington to come here and talk these matters over, or going down to Washington to make sure that matters do not get out of hand.

First and foremost—and this is a principle which has been enunciated in this House—we must restore respect for treaty provisions. We do not want to undercut those provisions. We do not want to take unilateral action which would deny the undertaking we have given, and we certainly do not want those undertakings which have been given by another country to be undercut, to our detriment.

Still in this area of bilateral concerns on the west coast I come back to the extension of the boundary. I have been given to understand that there have been two or three submissions to the government in the last three or four weeks about the boundary line out to the 200-mile limit as promulgated in the *Gazette*. A new approach has been made, and I believe the province of British Columbia, among others, has suggested the San Juan trench as being the line which ought to define the boundary limits between the Canadian and the U.S. fisheries. This makes a fair amount of sense. I realize there is a problem regarding the trench on the east coast, but it is a principle that was accepted in New York, Geneva, and Caracas.

● (2020)

It has been accepted for a long time that if there are special circumstances that need to be taken into account in the definition or delimitation of areas, then those special circumstances could prevail over the median line approach. Here you have an extension of the continental shelf out to the trench. It is a natural fishing area on the north side and on the south side where the fishermen of our two countries will know where they are. It is a navigational device as well and it will be readily known where that division lies. I am not arguing at all for the use of that approach on the eastern delimitation because I know that would deprive Canada of a great deal of her present resources.

When the parliamentary secretary makes his contribution to the debate, perhaps he will make some mention of the representations with respect to the Juan de Fuca trench. That is only part of the problem.

I am sure the minister is aware of the problems on the east coast, but I like to feel I am bringing some focus to the problems on the west coast as well. They are completely different, Mr. Speaker. It would not be out of place in the organization of the department to have an assistant deputy minister east coast and an assistant deputy minister west coast. The problems are distinct. Obviously the deputies would have to co-ordinate their activities, but I think this is something that should be considered.

Before the season opened there was a suggestion that a two-licence system be introduced on the west coast whereby a fisherman would have to choose this season whether he would fish inside the gulf or go out on the west coast of the island and fish there. It might even be narrowed down to the zone or the area. That would be followed a year later by a choice of gear. He would have to decide if he was going to be a seiner or a troller. The department decided he could not be both. This suggestion was thrown out to fishermen this year. It had been mentioned a couple of years ago, but the final decision to implement it was suddenly made public only weeks before the fishing season opened. This caused the fishermen, quite rightly, to ask for some other way of drawing up regulations.

In a brief presented to the British Columbia Progressive Conservative party caucus three or four weeks ago in Vancouver by the Fishing Vessel Owners Association of British Columbia, it was suggested that regulations by press release be eliminated. That sounds just like the House of Commons, Mr. Speaker. In this House we deplore the number of occasions when important statements that ought to be made here, where debate can follow, are made by press release or press conference. As we all know, the Prime Minister does not bother to speak in the House; he goes to another legislative chamber to make his statements. This is reflected again in the attitude of the government toward the manner of regulating whatever it is a minister is empowered to regulate. It is regulation by press release.

Fishermen seek an input in licensing and gear equality regulations, or some sort of consultative process which would enable them to express their views and get them across to demonstrate how reasonable are their views. The problems confronting fishermen today have been compounded by permitting licences on the west coast following an edict by the minister's predecessor that there be a reduction in the number of vessels. I do not think there has been a reduction, Mr.

Speaker. There seem to be more vessels fishing now than when the edict came down. What is happening is that the small fishing boats are being bought up and combined into big fishing boats in order to make them a viable proposition, so that instead of three, four or five-ton licences they get a 15-ton licence, and then they have to get a couple of sets of gear. They troll and they seine. This is causing trouble as it is over-capitalizing the industry. The minister has to sit down with the fishermen—not just with his officials on the west coast but with the fishermen—so that they can get their ideas across to him.

The business of area licensing was tossed around as something that was in prospect. Mr. Speaker, it is impractical in view of the nature of the quarry. Fishermen cannot see how they can be confined to a square area of the sea surface for fishing. Fish do no obey those regulations—they just go through them. They come up from the south and go through to the north, or go out sideways, and the fishermen must be free to pursue them, or face a bad season.

Then there is the problem of the sports fishermen. They are up in arms too. In this regulation by press release there was a suggestion that the sports fishermen were going to be licensed and that their catch was going to be reduced. The argument was that at present on the inside passage, where perhaps the major proportion of the sports fishing takes place, sportsmen are taking small fish and taking something in the order of five sevenths of the chinook taken in that area. This five sevenths notion is being used to blow up the importance of the sports fisherman with respect to the whole chinook fishery. I think this is an unfair approach to the whole operation. The commercial fishermen recognize this.

The chinook fishery is a large one and is not confined to the inside passage. With three, four, five and six-pounders being caught by sports fishermen, why is it not possible to suggest that a larger hook be used to catch a larger fish? They might not get so many, but a fisherman does not always go out just to catch fish; he goes out to enjoy himself, and if he gets fish that is a bonus. So the sports fishermen are up in arms on the west coast, as well as the commercial fishermen.

When our caucus was out on the west coast another area of sports fishing was brought to our attention, namely, the sports cannery trade. Sportsmen—if that is what they can be called—are flown in from the United States in large numbers, taken aboard a large yacht, then go out with their dorries or nets, catch fish in commercial quantities, cook them on board, put them in boxes, and then return to the United States with their fish already canned. That is not sportsmanlike. It is not sports fishing, and I am sure the minister agrees. There must be some way to control this operation. If sports fishermen had any sport in their blood whatever they would at least cast a line and troll, and then fight for what takes hold of the line. But this business of going in as a commercial venture and leaving with canned fish is a monstrous attack on our resources. I do not know if the minister can say how widespread this practice is; I gather it is of some sizeable proportions. It must be brought to an end.

[Mr. Munro (Esquimalt-Saanich).]

● (2030)

Another problem besetting fishermen on the west coast is the special advantages available to Indian fishermen. They, I believe, pay only $10 for a licence, whereas a white man pays $2,000. I point out that boats of Indian owners are manned with white men. The Indians fish at a tremendous advantage, paying only $10 for a licence as against $2,000 their competitors must pay. True, native peoples have treaty rights, but surely the purpose of this assistance was to enable them to employ native peoples; it was not intended that they should employ white men hired from union halls.

One could raise other matters of concern. I have not mentioned the salmon enhancement program. I suspect we shall not push forward with the salmon enhancement program until there is a reciprocal agreement. Once such a reciprocal treaty is negotiated, we shall be assured of the benefit of fish spawned in our waters naturally or under the salmon enhancement program. I do not know the present state of this program but suppose it is almost inactive.

I will not deal with the matter of pollution. My colleague who has just resumed his seat I am sure will delve into these questions. Really, the only pollution matter I raise at this time, a matter on which I shall elaborate further on another occasion because I note that my time has almost expired, is the matter of the Kitimat tanker route. I am concerned about the damage which can be done in that area.

An hon. Member: Hear, hear!

Mr. Munro (Esquimalt-Saanich): Thank you. I am concerned about the damage which can be done in the area if, God help us, it is decided to make Kitimat into a superport.

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, let me begin by applauding the Minister of Fisheries and the Environment (Mr. LeBlanc) for the excellent job he has done these past three years, and for introducing the amending bill before us. I think all hon. members will agree, whether they come from the east coast, Ontario, Quebec, or British Columbia, that the minister has treated all fishermen fairly. He has acted on behalf of fishermen, not on behalf of big fishing companies or moneyed interests. He has shown that he wishes to serve the small fishermen of Canada. For that I applaud the minister, and for introducing this bill and for his good work of the last few years.

I support this bill but give notice of my intention to raise one or two points during the committee stage. I hope hon. members will hasten the progress of the bill to committee, to allow regulations to be brought in as soon as possible. I understand that the B.C. Wildlife Federation have expressed their wish for this bill to be passed as soon as possible. They have indicated to me their full, 100 per cent support of these amendments.

I ask the minister to follow the precedent established last year by the Minister of Justice (Mr. Basford) in allowing regulations to be submitted to members in committee. Let us see the regulations when the bill is in committee. We want to study the regulations at the same time as we study the bill.

Perhaps such a course would lead to speedy consideration and passage of this bill.

Some hon. Members: Hear, hear!

Mr. Anderson: As I recall, it was agreed to bring before the committee regulations pertaining to Bill C-83. This was done before the report stage. Unfortunately the session prorogued and the bill was never reported back. I think all committee members would consider it as a sign of the minister's trust and confidence if he were to let us see the regulations. That course, I suggest, would lead to orderly and speedy passage of the bill. The minister is present in the House, and I hope he has noted my supplication. I trust that I am not out of order, Mr. Speaker, in making these comments. To repeat, I commend the minister for bringing in this amending bill. As several members wish to speak, I shall not delay proceedings; however, I must raise one or two points of concern.

I applaud the provision giving fisheries officers the powers of peace officers. I understand fisheries officers will be given all the authority vested normally in peace officers, as set out in the Criminal Code. Such authority is to be used in certain ways. Since I represent a rural riding on Vancouver Island, I clearly understand that a fishery officer often has a difficult time dealing with poachers. If he catches one, he must summon an RCMP officer who issues the warrant, makes the arrest, and so on. Once this bill passes the fisheries officer will, for certain purposes, have all the powers of a peace officer, and for that I commend the minister. I foresee our fishery officers becoming useful instruments for the enforcing of our 200 mile limit.

Allowing fishery officers to act as peace officers in enforcing our fisheries regulations when they monitor the activities of distant water fishing fleets will lead to efficiency in manpower use. For example, consider what might happen if a fisheries officer were to board a Russian trawler operating off the west coast of Canada. He could monitor the size and type of catch and, if the licence issued by the minister has been contravened, he could in his capacity as peace officer issue the warrant, order the ship to enter harbour, or do whatever else is required in the circumstances.

Since he has the power vested in a peace officer, he need not send for the RCMP, or wait for the RCMP helicopter to put a member of that force on board ship. He has in his hands all the necessary power. I hope the minister will not take offence at my saying that there are not enough fisheries officers, at least in my part of the west coast, to do their job adequately.

I realize that the minister's department is under constraint and may not be able to hire enough staff, the work of which is measured in man-years of employment. His allocation of man-years is frozen, as is that of several other departments. But we must appoint more fisheries officers to monitor the area encompassing Thasis, Gold River, Campbell River, and all the other small communities of the region, which is several hundred square miles in area. Without adequate staff it will be impossible to monitor the area adequately and assume those additional responsibilities which fishery officers will have to bear on the west coast and east coast of Canada. I trust fishery officers will be able to carry out the additional responsibilities with which they are to be entrusted. I add that they do an excellent job in Canada; they are dedicated, sincere people. I would only ask that their job be made a little easier by additional staffing, especially in the field.

● (2040)

Many times we staff our offices in Ottawa, Vancouver, or Saint John, but we do not staff the field, at least not as much as the bureaucracy. I say that with all respect. I feel that sometimes they are the forgotten men of the service. Anything we can do to aid them will be a plus, not only for the government, not only for the monitoring, but for their morale. They are very proud people. They do have a high morale, but we can help them out in that area.

One provision brought in by the minister in his amendment is ticketing for minor offences. This is a very rational move. Up until now, in many cases the fishery officers had to go into court on very petty offences. Our object should be to keep them in the field. They sometimes have to travel 50, 60 or 100 miles from their normal base of operation in order to appear in court, only to find that the person being prosecuted does not appear. That time is wasted.

We now have a provision whereby the fishery officers can issue tickets for minor offences, prescribed by regulations. I hope these regulations are given to us so that the committee members can judge what is a minor offence and what is not. In any event, through this regulation a voluntary plea of guilty can be entered and a prescribed fine sent in by the offender. There is no need for the fishery officer to leave his patrol area in order to appear in court on a very minor issue.

I mentioned in my earlier remarks the matter of poaching. This is a very serious matter which the bill will attempt to remedy. Off the coast of British Columbia, it is estimated that about 5,000 salmon are poached each year.

Salmon in British Columbia is approximately a $200 million industry. Poaching accounts for about $3.5 million. With the modifications in clause 58, I hope that a poacher can not only be fined or sent to jail, but that his equipment can be confiscated. That will add some teeth. Those people who take the salmon as they are going to the creeks and rivers to spawn are a menace to our salmon conservation and should be penalized to the utmost.

I mentioned to the minister in private conversation that those who act as the middleman between the poacher and the consumer should be equally flailed by the law, whether it be by confiscation of their trucks and equipment or by an increased fine. I understand there is a clause in the amendment which increases the fine from $1,000 to $5,000. Perhaps this can be clarified in committee.

The middleman makes the greatest profit, much greater than the poacher. These people should receive substantially increased fines, imprisonment, and confiscation of their equipment, the same as the poacher. I suppose it is analogous to the pusher of marijuana or other drugs and the person who

supplies the pusher. It is hard to distinguish which is doing the most damage.

Up until now we have had a maximum fine of $1,000 for the poacher. However, there are documented cases of the poacher being fined $500 even though he sold his catch for $1,000. This proves that in some instances crime does pay.

My biggest concern with regard to the poacher is not that he is illegally catching a fish, but destroying a resource which takes a long time to replenish. A great many of the 500,000 salmon that are caught are caught illegally on the way to the spawning grounds. This means there will not be young salmon returning the following spring.

If this continues year by year, with the salmon being illegally intercepted on their way to spawn, all the dreams of the Minister of Fisheries to enhance the number of salmon and to ensure that our children and grandchildren have the same pleasure and awe of nature in watching the salmon, will be for naught.

Because of greed, in order to make a dollar or $5, people are destroying a living resource unique in this world. The salmon has one of the most unique Canadian identities of any animal, bird or fish in Canada. Natives on the west coast regard it as a supernatural being because of the strength and endurance required by the salmon to reach its spawning ground; leaping over falls and travelling great distances. It is almost a miracle that the fish reaches the spawning ground. We want to ensure that the fish do spawn and that we have a return of the salmon each year.

The hon. member for Esquimalt-Saanich (Mr. Munro) mentioned some of the concerns of the west coast fishermen regarding some recent developments. I am not trying to deal only with the west coast, but that is the area I know best.

As the hon. member for Esquimalt-Saanich mentioned, there is concern about the two licence system. In reply to a question by the hon. member for Coast Chilcotin (Mr. Pearsall), the minister stated there would be a one year moratorium. The two licence system will not be introduced in 1977. He went on to say that in addition to looking at the two licence system for the inside and outside fishery, he would look at the whole question of licensing. He will look at the dual fishing question, the combination boats, the gill netters and the patrollers, at the whole question of the conversion of one type of gear to another.

One of the great benefits the minister could bring the west coast fishery is something he announced in the maritimes a few months ago. He said he would set up a fishery advisory council. I hope there will be one for each coast, and perhaps one for the freshwater fishermen in Manitoba, Saskatchewan and so on.

On the west coast there are fishermen who are union members, sports fishermen, trollers, gill netters, seiners, and the Native Brotherhood of Fishermen. There is a great deal of gear and a lot of fishing. These fishermen, including the sport fishermen, would appreciate an advisory council so that they could sit down with members of the minister's department in Vancouver, Nanaimo or wherever to discuss fisheries' policy.

Many fishermen feel the department makes decisions in isolation, and hands down decisions from on high. I realize that is an incorrect assessment. However, in order for the fishermen to feel part of the system there should be consultations every three or four months. The fishermen would feel much better if they knew what was taking place. They would feel they had at least a consultative role in the making of decisions, and I think the hon. gentleman's action would be warmly applauded.

● (2050)

As I began my remarks I stated that the minister was already well thought of by fishermen. My contribution is intended to make him even more popular. I believe the amendments he has brought forward are good for the fishermen and that they will be suported by all hon. members.

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I think Bill C-38 will find its proper forum in the standing committee and I, for one, am anxious to see that it gets there. I shall therefore be brief, though there are two things I want to say.

The amendments have been around for a long time, if my information is correct. I join with the hon. member for South Shore (Mr. Crouse) in deploring the length of time it has taken to get thus far. I thought at one time the reason for the delay in first and second reading was that draft amendments were being considered by the various men and women in the provinces upon whom their enactment would have a profound effect. I thought that was the case, because when I was in British Columbia last August the field men who were responsible for the administration of this legislation had the draft amendments in their hands. In my view that was a good reason for the delay. I support that kind of consultation. I am in favour of the people in the field being given an opportunity to consider what the government has in mind. However, visiting the Atlantic provinces not long ago I was disappointed to find that the counterparts of the British Columbia field men had never heard of these amendments. This distressed me.

I do not have to champion the cause of British Columbia or of New Brunswick or of Newfoundland, but it would seem to me that if provincial public servants in British Columbia had the opportunity as long ago as August, 1976, and possibly even before that, to make some input into these amendments, surely their counterparts in all the other provinces concerned should have had an equal opportunity. Thus, when I find that this opportunity may not have been available in all the provinces—I say "may not" because it is possible that my information may be inaccurate—I am somewhat disturbed. Surely, of all pieces of legislation this is one which should be subject to the consultative process since, in many cases, it will be enforced by provincial public servants.

The minister has spoken of a meeting in the first week in June. I believe the official name of the group is the Council of Resource and Environment Ministers. The minister, in the

course of his opening speech, intimated he had received correspondence from some of his provincial counterparts expressing reservations about portions of this legislation. I understand that he has been urged to put off second reading until the council to which I have referred has had an opportunity to discuss the matter with him at that meeting in June. I do not think this is a terribly important consideration if the minister would agree that the provincial representatives on that council could appear before the committee so that the committee would have the benefit of hearing an expression of the reservations which the minister's provincial counterparts might have in mind.

I understand there are two general groups in the council. There are the representatives of provinces which make use of this legislation as their main anti-pollution law. Then there are others whose provinces have their own legislation, or which operate independently of the Fisheries Act. The real issue here is whether the legislation, either factually or perceptually, encroaches on the area of authority which the provinces have traditionally considered to be theirs in terms of the environment. This certainly appears to be the feeling of a number of the Atlantic provinces, and the same may be the case in British Columbia. This is the issue with which, I fear, we must come to grips.

A great deal of the authority in the areas of water and air pollution control which historically has belonged to the provinces is now, apparently, being assumed by the federal government through the medium of the Fisheries Act. There is no question in my mind that if one reads this bill and gives it a liberal interpretation, the provinces which are concerned about encroachment on their authority have real reason to be concerned. When, for example, one sees words like "water intake", "ditch", "channel" and so on, and when the bill starts talking about municipalities as polluters, or municipalities being creatures of the provinces, I can appreciate provincial concern in this area.

If there is one field in which I do not want to see confrontation between the federal government and the provinces it is that of the environment. It is the one area in which we must work in close concert if our efforts are to be successful, and that is why I hope the Standing Committee on Fisheries and Forestry will, at an early meeting, deal with what I consider to be the key issue raised by this bill.

I echo what was said by the hon. member for Comox-Alberni (Mr. Anderson). The government has an unhappy record when it comes to legislating by regulation. I hope the committee will have an opportunity to consider the regulations, or at least their intent. I also hope we may hear from officials of the environmental protection service, if they give evidence, as to the manner in which they intend to enforce the regulations.

With respect to poachers, the minister said, virtually, that we had been licensing poachers; instead of preventing poaching, we have said to a potential poacher, "All right, if you want to go ahead and poach, this is what it will cost you if you get caught; it is a cost of doing business, the same as your boat, your flashlight, or whatever else you use."

● (2100)

There is no sense in the members of this House deploring what the various courts have done when dealing with poachers. We all support the independence of the judiciary. That is surely part of our history of government. We also support the independence of the legislative arm. So if we are unhappy with what has happened with regard to poaching, let us not blame the judges; let us do something about it, but let us not wait from 1970 to 1977 to do something about it.

It was pointed out quite dramatically by my colleague from British Columbia, the hon. member for Comox-Alberni, that when we had a $500 fine a poacher still made $500 profit because he had $1,000 worth of fish. But let us not blame the judges for that, let us blame ourselves. My colleague from Comox-Alberni says that he does not have enough inspectors in his riding but that he does not blame the minister. Well, I do blame the minister, and his predecessors, and the sins of his predecessors must be suffered by him. If I needed more inspectors in British Columbia, I know where I could get them; I would get them from all the planners in the Department of the Environment, these people whose raison d'être is to say no. That is all they do, and the reason they say no is that if they said yes they would have no reason to exist.

When somebody in the field in the riding represented by the hon. member for Comox-Alberni has a good project, he has a whole body of guys to whom man-hours are allocated here in Ottawa to say no. If the hon. member wants more inspectors in Comox-Alberni he should blame the minister for not providing them. He should tell him to move them out of planning. We have more planners than we have inspectors, so send them to Comox-Alberni, or wherever it is in the country that we have a shortage of these people.

I wish to make a few comments on the protection of the habitat, the amendments dealing with power to examine and approve plans of government and private sector development. In other words, in Bill C-38 the minister proposes to enter into a field which again I believe many provinces have considered traditionally their domain. Maybe my fears about that will be alleviated in committee. When I hear the minister say that we must have the power to examine and approve these plans, I am not too concerned about that aspect; what I am concerned about is that now we have another level of bureaucracy with which public and private developers must deal. I have no worry or concern about a potential development that does not or should not proceed on the basis of its potential damage to the environment. What I worry about is a development that should otherwise proceed but cannot in the face of another level of bureaucracy. This creates a frustration that simply does not permit that municipality or that private company to proceed with a development which otherwise would not be hazardous to the environment.

We all think developers are great, big, huge companies, or great, big, huge municipalities. Many are very small companies or very small municipalities. I say to the minister, through you, Mr. Speaker, that at committee stage I will look for some assurance from the Department of Fisheries and the Environ-

ment that their concern about protecting the environment is not going to be manifested in the creation of a bureaucracy that would impede otherwise acceptable developments. Small businessmen and small municipalities tell me that their main frustration is having to deal with too many levels of government and, within each level, with too many inspectors, too many forms, too many administrative tribunals. Therefore, when this bill comes to committee—and I hope it will come very soon—I think we should examine that aspect with great care.

With respect to water pollution the minister is, I believe, moving—and likely rightly, although I think we should talk about this to some extent in committee—to the "polluter pay" principle. I think that is what he said in his remarks earlier this afternoon. That is likely a good principle. I am concerned with the identification of the polluter. If he is identifiable, then likely the principle that he should pay is a good one. The minister has said, though, that inspectors designated by the department will have more power, and again I worry about those provinces that appoint their inspectors and those that do not. Again we have a division here, two types of provinces dealing differently with this particular part of the Fisheries Act.

With regard to offshore pollution, I think the minister said that 80 per cent of such pollution comes from land. I am not terribly impressed by figures. I ask, 80 per cent of what kind of pollution? How is it measured, and in what areas? If the major source of pollution in Kitimat, for example, comes not from the hazard of moving tankers through an apparently treacherous passage, fine, I agree with the minister we should be more concerned with pollution coming from the landward side. But I do not know on what he bases his figure of 80 per cent; I hope that we get into that in committee.

One thing in the minister's remarks which concerned me was his reference to our ineffectiveness to act against polluters as compared to that of the United States. He referred to a special agency. I presume he is referring to the environmental protection agency. I ask the minister to remember that we are comparing apples and oranges. That is an independent agency. If the minister is about to move the environmental protection service out of his department and create an agency out of it, that is a different thing. I think it is not very helpful to compare the U.S. situation with our own when we are dealing in the U.S. with an independent agency and in Canada with a service in the department. I simply point that out gratuitously, Mr. Speaker, to the minister, because I do not think the comparison is particularly helpful in terms of this debate.

In summary, I look forward to this legislation moving into committee, though I am not anxious that it move with haste through committee. We sat around for a good number of years waiting for these amendments. I have a great respect for the integrity of my colleagues who serve on that committee. I think their determination is to have good, viable, enforceable legislation. Therefore I hope the minister looks forward to examination of this bill in some length and in some detail, with the benefit of the expertise of witnesses, particularly those who will help us in regard to this federal-provincial conflict which I think is very real.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, before making a few remarks on Bill C-38, I think all hon. members will join me first in extending congratulations to the minister who holds this important portfolio; he is noted for his qualifications, his tenaciousness and his determination to try and help this class of citizens, rich or poor, persevere in the practice of one of the oldest trades in the world; we now call them professional fishermen.

As a matter of fact, Mr. Speaker, fishing is regarded as an essential activity which is of prime importance for many reasons. You have only to think that more than 55,000 Canadians depend essentially on fishing for their living and 22,000 are in the fish processing and marketing industries. Furthermore, I think that the annual return of the fishing industry in the economy is over $1 billion; it should be added that exports account for half this figure.

In the Atlantic provinces as in other areas in eastern Quebec, three quarters of the towns and rural areas depend on fishing to a certain extent. It goes without saying that outside of social welfare, allowance, old age security and the like, agriculture and logging, that is the only source of livelihood for the many Canadians and fishermen living in those areas.

Mr. Speaker, I must add that on the west coast fisheries are also very useful but it must be said that the fishing industry there is of relatively little importance to the prosperous economy of British Columbia. On the other hand, on the east coast, of which I am one of the representatives, the situation is different in that fishing, whether we like it or not, is of almost incalculable importance. In fact, that is the part of Canada where the federal government must increase supervision, particularly off the shore of Halifax and St. John's, in the Gulf of St. Lawrence and in the North Atlantic, rather than in western coastal waters. One can readily claim, Mr. Speaker, that fishing is not only a way of life or one occupation among others for coastal communities in Canada, but that it is, to my mind, the only means of livelihood, if not the only possible way of life for most of them. In Canada, let us recognize it, our fishing resources are being threatened and it is now more than high time our governments attend to rebuilding our fishing stocks; otherwise, we will find ourselves at some point in time without those invaluable resources.

A quick look at Bill C-38 reveals, Mr. Speaker, that it stipulates that in the future, persons may be designated as fishery officers, as meant by the act, and even classes of persons deemed qualified to act in that capacity.

Those last amendments to the Criminal Code and the one proposed in clause 20 will in effect give fishery officers the powers of peace officers.

Although in general agreement with Bill C-38's provisions, I would like to call the minister's attention to certain discrepancies. It is very well to refer to environment and conservation, but an advertisement campaign would be needed to inform the

public at large, from grade school to all spheres of society. It should promote conservation, and above all the love and respect for nature and everything that contributes to the beauty of one's area, province and country.

The time is over when the sea's biological resources were considered inexhaustible. In 1968, 42 per cent of the world's fish stock was caught and for the first time in 1969, there was a reduction in year-to-year world landings. There is no doubt in my view that conservation prompted the government to introduce such a bill, because it is a fact that fishery products, as any other goods, are subject to the law of diminishing returns. For that reason calls have been heard in past years against free deep sea 'fishing, which had been the rule heretofore.

Considering the current situation of fishery resources, clearly absolute freedom in deep waters is no longer in order, especially since new production techniques have brought a revolution in various traditional forms. We need only remember that the sailor-fisherman used to be the main factor of production. Nowadays, highly sophisticated fishing ships, gear and techniques have come to the fore. It is therefore urgent that the government take regulatory measures to prevent the serious economic dangers now facing us.

Mr. Speaker, Canada has the second longest seacoast in the world. It can even be called the longest, if we also consider the Arctic of course. Moreover, the continental shelf of our country is quite large and includes important resources. It is the second largest in the world and makes up a surface equal to 40 per cent of the territory.

Off the west coast, the continental shelf is rather narrow, I agree, but in the eastern area it extends as far as 400 miles in the Grand Banks area. Its coastal waters contain important fishery reserves, particularly in the Grand Banks to the east of Newfoundland. The latter is no doubt highly essential for the coastal provinces of Canada, both socially and economically. Those are, Mr. Speaker, a few reasons why the federal government should keep on introducing measures to have an ever increasing control over our coastal waters.

It is more and more urgent that the government take serious measures to preserve the stocks and prevent Canadian fishermen from being endangered by those who traditionally fish not far from the Canadian coast and have huge fleets and vessels which, for all practical purposes, take the daily bread away from Canadian fishermen along the east and the west coasts of our country.

Mr. Speaker, I hope that Bill C-38 will meet our wishes and that all those who earn a living from that noble occupation will not have to face disappointment and at last will see better days.

• (2110)

[*English*]

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I appreciate the opportunity to say a few words on the bill. I will keep my remarks brief because there are other people on both sides of this House who want to make comments. It is important to tell the minister, on behalf of the east coast, that we appreciate the measures brought forward in this bill. I want to echo the words of my colleague, the hon. member for Comox-Alberni (Mr. Anderson), who generally congratulated the minister on the job he is doing in his portfolio. Certainly the people in the east, and particularly in the province of Newfoundland and Labrador, are cognizant of the policy measures he has brought forward while he has been the Minister of Fisheries and the Environment. That has not gone unnoticed in the province, and we appreciate what the minister is doing in the field of fisheries because more and more the Newfoundland economy must depend on that particular resource.

• (2120)

I am glad to see my member of parliament entering the Chamber because I want to make him aware of the problems on the east coast. These measures to toughen up pollution laws are very important. The fishery in Newfoundland is the backbone of the economy there and will remain so. If we are to protect that renewable resource, then certainly we must bring in measures which are tough enough to deal with the non-renewable resources as they are transported over that marine habitat. I think it is a good idea to broaden the terms of the bill to include the habitat as well as the fish. Also, the tougher measures on clean-up are certainly a welcome addition to the legislation as it exists at the present time. However, I want to draw attention to two other aspects of the bill which I think are important. One is the amendment with regard to trawler fishing.

There is an inherent conflict between the offshore fishery and the inshore fishery, and keeping seiners and trawlers outside a certain limit gives inshore fishermen breathing space to harvest their share of the resource.

From time to time the minister has given firm commitments to the inshore fishery. This amendment shows that he certainly meant what he said, and I welcome that. There are trawlers which are now interrupting the fishing of inshore fishermen in my area and, I am sure, all over the province and, indeed, throughout eastern Canada. This amendment will certainly help them and will cut down on the conflict between offshore and inshore fishermen.

Another point I want to draw attention to—and my colleague, the hon. member for Comox-Alberni also referred to it—is the amendment which would give fisheries officers the authority of peace officers as set out in the Criminal Code of Canada. Last spring the sealing operation was a topic which did not go unnoticed in the House of Commons or across this country. Unfortunately, much misinformation has been disseminated with regard to that industry, and it is going to be difficult to turn the tide. I think that those journalists who went to St. Anthony this year, who looked, and who bothered to find out the facts, wrote the truth, and I think the tide is now turning in favour of the sealing industry in the province. Newfoundlanders want to earn a living. They must have the

income which comes from that particular lucrative hunt to supplement their yearly incomes, and it is entirely necessary that it be kept going. The methods used are the most humane that can be devised.

It is a myth that the seal is in danger of extinction. The quota is well within limits. There is a harvestable quota every year, and certainly there will be one next year as well. Phony conservationists such as Mr. Davies, and other organizations which took part in protesting the seal hunt, are starting to be known for what they are. Bona fide conservationists in this country, people in legitimate humane societies, are showing them up for what they are because these phonies call into question the whole of the humane movement in this country.

On the ice this year a number of people interfered with the seal hunt, and it was impossible to enforce the Criminal Code even though seal pelts were taken from sealers and thrown into the water, and even though clubs were taken and thrown away. In other words, these people were interfering with sealers in the course of carrying out their work, and it was impossible to lay any charges against them. RCMP officers were eventually on the ice, but not when they were really needed, and this amendment to make fisheries officers peace officers will be a step in the right direction in dealing with people who insist on interrupting bona fide fishermen in the course of their work. That certainly is a welcome amendment to my part of the country.

I want to make my own contribution to the Fisheries Act, in conjunction with the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). The hon. member spoke in this debate this afternoon. He referred to the amendment which we will be moving jointly. A petition which we have drawn up is now being circulated in the province of Newfoundland and Labrador, and already we have thousands of signatures to that petition. I want to put on the record what the petition says, and repeat that when this bill comes before the committee we intend to move a further amendment to the Fisheries Act to incorporate the principle of that petition in that act. The petition is as follows:

THAT greater protection be given through law to sealers by amending the Fisheries Act and regulations.

THAT all ways and means of tightening the Fisheries Act and sealing regulations to give adequate support and protection to sealers be explored.

WHEREFOR it would be an offence for any person in any vehicle or aircraft or boat to come within a defined sealing area without a permit from the Minister of Fisheries, and further that it would be an offence to take or destroy property or otherwise to interfere with a sealer or sealing ship in the course of their working during the sealing season.

That petition is going to be presented to this House very shortly. The hon. member for Humber-St. George's-St. Barbe, other members of parliament from Newfoundland, and I, have distributed this petition, and we are hoping for thousands of names so that we can let this House know exactly how important this issue is in our province. Thereafter we intend to move an amendment to the Fisheries Act so that next year proper protection can be given to those people in the legitimate pursuit of their livelihood, and so that we can take appropriate action against those phony conservationists who destroy the

[Mr. Rompkey.]

reputation of hard working people in a cause which is entirely questionable.

I want to conclude my remarks by congratulating once again the minister for bringing forward these amendments, and to say to him that his efforts have not gone unnoticed by the people on the east coast. They are very grateful for the policy he has brought forward, beginning with the 200-mile limit. Of course there have been other measures which the minister has brought before the House as well.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, at this stage it is very difficult to be anything but repetitive. I regret very much that I find myself in this position. However, there are some characteristics of the comments which have been made which leave room for expansion and for emphasis to be placed upon the distribution of problems throughout Canada as they have existed in the fishing industry.

I am very disappointed that there has not been an adequate force of people available as enforcement officers for the fishing regulations as they apply to salmon in the fresh waters of New Brunswick. I am sure the minister is aware of the problem which exists. It has been mentioned many times in this House. It has been mentioned by the press of New Brunswick, and it has been very clearly emphasized that it is indeed a cynical and unlawful group which persistently, habitually, and for economic gain poach salmon in the streams of New Brunswick. They have challenged the law enforcement body of the department. They have mocked that body. They have made it impossible for law enforcement to exist.

It was mentioned today that there was a 50 mile portion of stream for one man to look after in Newfoundland. The hon. member for Humber-St. George's-St. Barbe mentioned this. There are many remote streams in many parts of the Atlantic area which are rarely if ever seen as far as supervision of the salmon population is concerned.

● (2130)

In my memory this particular stream abounded with fish. The climax has been long in coming, but evident as it approached. At one time in the Saint John River and the Miramichi River permits were given for nets. They were an integral part of the land grant along those streams, part of the livelihood, the food supply of those who first settled there. The nets were allowed to be put in place on an unlimited basis initially, a regulated basis at a later date, and were removed totally some years ago. Now they are only allowed to net salmon in the Bay of Fundy. The population in the Saint John River has been declining for a long time; it did not receive adequate attention at an early enough date.

I am sure the minister is aware that poaching in the Toiboque River became such a problem that last season the river had to be closed. This was a serious detriment to those people who depended on sports fishing for their livelihood. It is a challenge to the enforcement capability of government. It was found wanting. When the government admits its incapa-

bility by closing the stream because it cannot control it, that is indicative of laxity in the administration of existing legislation.

I hope this new legislation will give more strength to the enforcement group and that the minister will find some means to bring things under control. In the control of human society we have found reasons to take extra measures in case of emergency. We find ourselves with respect to the salmon streams of the Atlantic provinces and apparently also in the ocean on the west coast, in a position of emergency. Whatever measures should be taken must be taken. Wherever manpower can be found it must be utilized to put lawless people out of business. They rank with the rustlers of the past.

The salmon enhancement program for the Atlantic area needs additional attention, as was mentioned by the hon. member for South Shore (Mr. Crouse). We have not followed the example of other jurisdictions. We impeded the progress of salmon upstream when there were hydro developments in the Atlantic area. When this was done in Scandinavia, spawning grounds were developed, and stream mouths were filled with gravel or whatever was necessary to create the spawning area that had been taken away by virtue of the construction of a dam on the stream. We have not done this. We have actually reduced the number of young salmon being hatched in our federal hatcheries.

There was a time when the hatchery next door to my home produced over a million salmon a year. The count is seriously down relative to the efforts made in the 1920's—not the 1940's, 1950's or 1960's but in the 1920's—to enlarge the salmon population of our streams. We have cut back in this regard. One hatchery has been closed, and the capacity of others has been reduced. The money voted for hatchery operations has been reduced to the point that supervisors are wondering how they will be able to operate their premises even with the reduced number of fish assigned to them. This is indicative of knowing about a problem but not putting any real effort into correcting it.

I want to thank the minister for the position he has taken in respect of the proposed Eastport refinery and the hazards to the environment had an oil refinery been built there. I hope the measures he is prepared to take will prohibit any such construction.

Earlier in the session I mentioned that a modern, up-to-date, and accurate chart of the waters of Head Harbour Passage and the adjoining areas through which the oil tankers would have to pass, is not available. I am happy to learn that a survey is now in progress which will chart those waters and give the department a strong case to present to anybody who might be concerned about construction of the refinery.

One of the problems that has arisen from the restrictive licensing which the department has introduced is that communities on the Atlantic coast find themselves with only one source of livelihood by virtue of their geography, namely, fishing. Licensing has been restrictive, quotas imposed, and the seasons shortened, and these people have found themselves with a declining standard of living.

It had been traditional in the fishing areas of Canada, as it had been in the agricultural areas, that the family of a fisherman might wish to fish, as the family of the farmer in the past had wished to farm. There is no longer any possibility that this can take place. Within the last few weeks I wrote to the minister about the plight of one of these people, asking that he be granted the licence he had requested. By virtue of a change in the boats in the area, particularly the seiners, by the addition of refrigeration, the carriers who used to service the seiners to carry their fish to market were out of a job. A 70-foot boat is a major investment. This man who had one now has nothing for it to do. A lifetime investment is tied up to the dock, and there it will remain.

This is the kind of regulation of the fishing industry about which previous members have spoken. Those working at a desk adjoining a marble corridor in Ottawa have no conception of the social impact of the denial of permission to make a living in the traditional way in which that family has lived for generations. Who in this House would sit quietly while a 70-foot boat rotted out the rest of its life tied up to a pier, because of regulations imposed upon the fishing community? There is a social responsibility on the department to conserve the stocks, but there is also a social responsibility to do it in a way whereby people who have had the habit of fishing those stocks, do not starve.

A number of fishermen along the coast of the Atlantic area have been denied more than one licence, yet for generations they might have fished lobsters in the fall, and fished handline in the summer. They might have worked in three or four of the fisheries in the area. Today, if by any chance they have failed to renew a licence for the fishery in which they had by habit participated, they find they can no longer re-establish themselves. This has created hardship. If they miss the deadline for the renewal of the licence they held—they find they no longer have a licence.

Social consideration is essential. This applies to pollution as well. Many hard remarks have been made about those who have polluted freshwater and salt water, but what some people have failed to recognize is that all the laws of the land perhaps have been adhered to, and it is only as a result of changing laws that we now call pollution, "pollution". It is only with expanding industry that the capability of a particular stream is over-stressed by added pollution.

I was rather impressed by an environmentalist in British Columbia who was a senior member of the department of the environment there. He said dogmatically that, although we are concerned about the environment, we must recognize nature can absorb a certain amount of pollution, and that if pollution is below critical levels, no measurable damage will be done to the environment, or to human beings or animals living in it. He said his department was monitoring the level of certain additives found in the waters of British Columbia. If those additives were within certain limits, the department of the environment in B.C. was not particularly worried. They worried when the level of pollution exceeded the tolerance of the environment, that is to say, the ability of any part of the environment,

whether air or water, to absorb the pollution without measurably harmful effects.

● (2140)

We have not recognized the social responsibility shown by some who discharge pollutants into the environment. As the minister mentioned, some industries have traditionally operated at a particular location. The pollution resulting from such operations was within the tolerance limits suggested by that B.C. official as acceptable. The level of pollution was tolerable, until that pollution was supplemented with other pollution coming from some other point within that ecosystem.

Many polluters, be they small communities on river banks or small industrial concerns, have not the financial strength to finance the acquisition of anti-pollution equipment. Therefore the correction of this situation becomes a social responsibility. The more quickly the government recognizes that it must provide money to those who lack the means to install anti-pollution equipment, the more effective its environmental efforts and anti-pollution programs will be. What is more, they will be more acceptable to the general public, for if the government puts its money where its mouth is, so to speak, society will look with a keener eye at the requirements of the department.

As the hon. member for Perth-Wilmot (Mr. Jarvis) said, the bill we are discussing has, so to speak, ruffled a few feathers in the provincial structure of this country; for that reason it is not timely. We have heard across this nation provincial governments complaining of the federal government's intrusion into their domain. This bill adds to that intrusion. We have in this country a vast duplication of services.

Perhaps, by way of example, I could mention something the mayor of Toronto said some time ago. Discussing a certain program with members of this House, the mayor mentioned a certain federal government program relating to the conduct of the city of Toronto. He said that there were moneys available to the city of Toronto under federal programs. He went on to say that the city of Toronto and its sister municipalities had negotiated with the federal government for several years with respect to the policy about which he was talking, but at the conclusion of seven years no agreement had been finalized in the field of housing.

In this country we find ourselves beset with municipal, provincial, and federal regulations, and it is almost impossible to cut through this maze of red tape. One finds that when one has cleared the hurdle of one department, one must deal with another department which says, "No, you cannot do this." There is no longer a single voice in the federal government which can answer our environmental concerns. The answering voice may be that of the Minister of National Health and Welfare (Mr. Lalonde) or of the Minister of Fisheries and the Environment (Mr. LeBlanc), or it may be that of the Department of Fisheries. Each may present a separate view and take a different direction. It is awfully difficult to correlate all these views. I wish all these people would sit down at a table and resolve this difficulty.

This bill is an intrusion into provincial rights. I join with the hon. member for Perth-Wilmot in saying, for goodness sake, let us bring all these people together around a table and simplify these procedures as best we can. Let us not intrude further on provincial rights concerning pollution controls. Such intrusion is becoming a habit with the department. Before the present minister was appointed to his portfolio, the provisions of the act which related to pollution in off-shore waters under the jurisdiction of Canadian pollution regulations overlapped the provisions of that act which controlled the environment of the shore. That act, in turn, overlapped the provisions of another act which controlled our land environment. All three acts overlapped, to some extent. Each act was administered separately. Mr. Speaker, we do not want this sort of thing. Let us bring all this pollution legislation under one package. Let us put the provinces in the position of being able to administer. This three or four tier interference with development is not what this country should have to endure.

I come now to the regulations which will be promulgated under this legislation. First, let me speak of a regulation of which I am sure the minister is unaware and the reason for which nobody has bothered to explain, which created great hardship. Those familiar with the fishery know that a fisherman is allowed to cure his own fish. He may put the fish in salt, or in brine, or smoke it, and so on; or, he must sell the fish to somebody else who will market it, cure it, or otherwise deal with it. Mr. Speaker, the minister has been most attentive today; perhaps he will pay close attention to what I am about to say.

Does the minister know that if I were a fisherman and filled my boat in one day with fish, I would not be permitted to hire help for cleaning and scaling that fish for treatment? I am not allowed, Sir, to hire help for cleaning and scaling that fish. Did the minister know this? Speaking of regulations, I wonder if the minister is aware of another regulation to which I shall now allude.

Not long ago an inspector of his department entered a processing plant of smallish size which was processing salt fish. The height of the ceiling over the tanks in which the fish were held was less than eight feet. The plant owner or manager was advised that he could clean his tanks but could not load them again until the height of the ceiling had been raised at least to eight feet. I made inquiries. The bacteria count was not the trouble; there was nothing about the fish to make it hazardous for human consumption. Apparently the inspector was about six foot six tall and had bumped his head on the ceiling. I can see no other explanation for his wanting the ceiling higher off the ground. Certainly ceiling height over the tanks had little to do with fish being soaked in brine. Apparently the inspector had invoked some regulatory authority. I cite this example, because this bill will provide officials with even greater regulatory powers.

Quite possibly the minister might not be aware of all the regulations. I suggest, in the case of this bill, that perhaps a codicil should be added. Any regulations made under this bill should be placed before the fisheries committee of the House

of Commons for consideration and discussion before they descend with any hardship upon those who would be regulated. This would gain some publicity. I can assure hon. members that the little guy on the coast does not read the Canada *Gazette* which makes this official. He is only made aware of this by somebody dropping in to tell him that he is breaking regulation ZYX which was passed the day before yesterday, and something should be done about it.

● (2150)

All those who have spoken have made an important contribution. I am sure those who are interested in the fishing industry along the Atlantic and Pacific coasts will read with considerable interest the remarks of the minister, of the hon. member for South Shore, and of members from British Columbia and Newfoundland. I hope the minister will not only take careful note of those remarks but will go one step further.

The minister's predecessor created a precedent by permitting groups to come before him and the fisheries committee to present their problems and make recommendations. Those committee meetings at which organizations from British Columbia, New Brunswick and Newfoundland appeared were some of the most interesting and informative meetings that have been held under the jurisdiction of the minister in the five years it has been my privilege to be here.

Those meetings should become habit. It would benefit the direction of research, the minister, and the fishermen. It would create a better feeling between the fisherman and the minister and his officials. It would be a good will gesture to make this an annual event.

Various agricultural organizations appear before the Minister of Agriculture (Mr. Whelan) and his departmental officials on a regular basis, sometimes more than once a year. Why not the various fishing associations? I do not mean the industrialists who process, but the people from the shore. Why not permit them to appear before the minister so that he can understand the problems as they arise for them from day to day and year to year? We know they cannot all be resolved at once.

I hope the minister will do these two things: first, before applying the regulations place them before the committee and, second, on an annual basis have liaison with the people in the boats by allowing their delegations to appear before him and a committee of the House of Commons to consider the problems as they arise.

Mr. Jack Pearsall (Coast Chilcotin): Mr. Speaker, I am a man of few words. I appreciate the opportunity to speak in a debate on Bill C-38.

I have just returned from Williams Lake, British Columbia, in the heart of my constituency, where the British Columbia Wildlife Association held its 1977 convention. One of the key matters being discussed was Bill C-38. After three hectic days, they learned of the possibility of this bill being brought before the House. I assured them that my colleagues on both sides of the House would get this most important bill through the House and into committee.

I welcome the few minutes available to me to make that point. I wish to point out in particular that the British Columbia Wildlife Association were most emphatic that all British Columbia members should realize that this bill must get into committee as soon as possible. I sincerely hope it will be put to a vote this evening.

The Acting Speaker (Mr. Turner): I must inform hon. members that, if the minister speaks now, he will close the debate.

Hon. Roméo LeBlanc (Minister of Fisheries): Mr. Speaker, I believe I can be very brief. I am encouraged by the support from all parties and by their excellent suggestions. I have made note of most of them.

I am quite willing to consider seriously the concerns that have been expressed, such as the matter of regulations. During the supper hour I checked to see if these could be produced easily. I was told that the absolutely final legal draft was not available, but the working drafts were. I think these will be useful to the committee members as they approach their study of the bill. Remembering the backbenchers, I thought these might be useful. I would like to try this as an experiment.

With regard to the provincial ministers, I made it clear I was going to discuss these matters, especially with the ministers of resources, in particular those concerned with environment. I am not at all opposed to the suggestion made by the hon. member for Perth-Wilmot (Mr. Jarvis) that a representative or spokesman of the Council of Resource Ministers ought to appear before the committee.

My approach to this bill is that we should discuss and try to improve it. I am sure, with the suggestions that have been made, that this is possible. Unless there are some legal problems I will welcome the amendment suggested by the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey) and the suggestion of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) dealing with seals.

Unless members opposite want me to continue at length, I will leave this as it is. I again commend the bill to the House. I approach the committee discussion with a completely open mind. I think we can do good work putting this bill through.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

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

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. Following the outburst of the government House leader during the course of today's question period, I just want to observe that parliament can work, particularly in his absence.

Mr. Goodale: Unfair.

Mr. MacFarlane: That's rude.

Mr. Paproski: You say what you like and we'll say what we like.

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Grenville-Carleton (Mr. Baker) has the floor.

Mr. Baker (Grenville-Carleton): I do not want to suggest it was because of his absence that it worked. I just point out that it worked in his absence. I say very directly that an examination of the legislative program since Christmas will indicate that this parliament has dealt fairly and fully with legislation, and did so rather quickly. I was somewhat distressed at his outburst today during the course of the question period.

● (2200)

What I rose to do was to ask the parliamentary secretary whether we would be dealing with the Customs Tariff (C-55), the Excise Tax Act (C-54), and the Bretton Woods Agreements Act (C-18) in that order as announced for tomorrow.

Mr. Goodale: My understanding at the moment is that the order of business for tomorrow is as the hon. member has described it. If there is any change, he and the other House leaders will be informed at the earliest opportunity.

[*Translation*]

Mr. Lambert (Bellechasse): On the same point of order, Mr. Speaker. To enable the House to proceed more quickly, I think it would not be asking the government leader too much to inform us as soon as possible—this evening would be best—of the matters that the government intends to introduce tomorrow because it is extremely important for the members to be informed of the intentions of the government more than one hour in advance.

We have given the proof of our co-operation today. We were informed last week that Bill C-38 would be debated today and we prepared ourselves accordingly. We can co-operate and the proof was given tonight. If the government could co-operate with us by informing us a few hours in advance of its intentions to discuss such or such a bill in the House, we could proceed more quickly and the government would have no cause to complain that legislation is sometimes delayed. That is not our fault.

Mr. Speaker, I would like to support this point of order and to request in all sincerity and all good faith that the government keep us informed of the business it will introduce the following day so that we may proceed with some efficiency in the House.

[*English*]

[The Acting Speaker (Mr. Turner).]

The Acting Speaker (Mr. Turner): Order. I suggest to the hon. member that he has made his point.

Mr. Goodale: I do not intend to take up much time in replying to the point which has been made, but I think I should say that in the negotiations which go on among the House leaders every effort is made to give as much information concerning the business of the House as possible so that hon. members can prepare themselves. On Thursday of last week, following the question period, the acting government House leader gave a rather lengthy list of business with which we hoped to proceed in an orderly way throughout the course of the present week. So far, we are right on schedule with that order of business announced last Thursday, as I indicated in my answer to the House leader for the official opposition. We are making good progress, and I hope it continues.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

THE CANADIAN ECONOMY—POSSIBILITY OF INDUSTRIAL STRATEGY TO AVOID FUTURE HIGH LEVELS OF UNEMPLOYMENT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, the debate tonight arises out of the unsatisfactory answer given to a question put by myself to the Prime Minister (Mr. Trudeau) on March 16 as it appears in *Hansard* at page 4029. On that day I asked the Prime Minister the following:

> As we now, unfortunately, live with an unemployment figure of one million, would the Prime Minister tell us whether any steps have been taken at least to evolve an industrial strategy for Canada to ensure that in the coming years this chronic type of unemployment will not continue?

The Prime Minister startled the House by replying:

> The House has heard on different occasions statements on elements of our industrial strategy by the Minister of Industry, Trade and Commerce. I think one of the reasons the country is in difficulty is that Canadians are living beyond their means.

I would point out that this is a typical response of the Prime Minister and that it demonstrates the total lack of understanding he has concerning the economic morass into which the country has slumped.

If we are to look at the single, most important reason why we have regional divisions in the country, yes, even the belief in certain areas of the country that separatism would be better than remaining within Confederation, we should look first and foremost to the economic condition that the government has

allowed the country to get into. This was borne out, I point out, by the Toronto *Star* survey which appeared last Saturday which outlined the fact that in Quebec, for example, the number one concern is not what the Prime Minister has misrepresented it to be. The number one concern in Quebec is the economic condition of that country and the fact that people are going without jobs in that country. I say that is due to the lack of an industrial strategy on the part of this government.

That is the essence of the question. If we accept the fact that we do have an unsatisfactory economic situation in Canada today, then what is the government going to do in the next few years to develop an industrial strategy which will ensure that we will get out of the present morass? There is nothing new about this question, Mr. Speaker. For example, in September, 1970, the Economic Council of Canada, in a booklet entitled "Performance and Potential", dealing with the period from mid-1950 to mid-1970, outlined to the government, chapter by chapter, what it should do to ensure that our economy would not slip as it has. At page 76 of the report the following statement appears:

> We feel strongly that there should be an accelerated movement towards the evolving practice of planning further ahead—say, over five-year periods—by governments, business and other groups, and jointly with other countries in international organizations.

At page 79 of the report it is stated:

> It is becoming almost trite to suggest that there continues to be a requirement in Canada for greater co-ordination of policies—within governments, between governments, and between the public and private sectors.

I am simply saying that it is the government's failure to adopt this economic course which has led to the feeling of disintegration which exists in this country. In short, many people in the country are saying, "We have had enough; we want out". I think it is time the government countenanced that it has the heaviest responsibility of any body in this country for the state we are in.

Dealing again with the report of the Economic Council of Canada, at page 84 the council states:

> A major concern of this report is that the Canadian economy has fallen significantly below its potential. A quick return to potential is not feasible. But the central challenge is to begin to close the gap between actual and potential performance as soon as possible—to begin to reduce the significant human and economic costs of high unemployment—bearing in mind the need to maintain reasonable stability of prices. It is important to recognize that the present degree of slack, reflected partly in high unemployment, will tend to persist and grow until an annual rate of real growth in excess of 5 per cent is resumed.

Unfortunately conditions have deteriorated since 1970. Here are the facts, Mr. Speaker. Since 1970 we have had 65 per cent inflation. Unemployment has jumped from below 5 per cent to the present 8.3 per cent, with one million people out of work. In 1970 we had a budgetary surplus of $392 million. This year it is projected that we will have a budgetary deficit—I emphasize deficit—of $7.2 billion. Even that deficit of $7.2 billion was not understood by the Minister of Finance (Mr. Macdonald) until he went to a committee of this House and was told by his officials that in truth he had in his budget speech outlined a $7.2 billion deficit.

Our current account trade deficit has gone from a surplus in 1970 of $1.1 billion to a deficit of $4.9 billion in each of the last two years, and of course, as we know, real growth in the country has continued to slump. That is why I once again put to the Prime Minister the question: what is the Prime Minister going to offer this country in the form of an indusrial strategy to ensure that, at least by the mid-1980's, we are not in a still worse position than we are in today?

As we all know, we have been borrowing heavily, both externally and in the domestic market, to cover deficits run up by governments in Canada. When I asked the Minister of Finance on May 3 in the committee when he saw us getting a balanced budget, he replied: "I don't know that I could project an early date for that".

● (2210)

Then he added:

> . . . I do not anticipate it will be easy to get that deficit down very quickly.

In short, if there were a proper industrial strategy and if there were proper direction from the federal government, I can assure you we could return to a sounder economic base, with relatively low unemployment and relatively low inflation. Nothing would ensure the continuation of Confederation and the death of separatism in this country more quickly than to give people the real growth they are entitled to.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired.

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, it is good to see the hon. member for York-Simcoe (Mr. Stevens) in such form. I am sorry to see his form is carried away by his rhetoric when he said, at least once in his speech, that separatism is better than staying and fighting within Canada for our economic order.

Mr. Stevens: Not true.

Mr. Poulin: He said separatism is better, and I heard him say separatism is better.

Mr. Hnatyshyn: We heard you say that Cape Breton is part of Prince Edward Island.

Mr. Poulin: This is a man who put himself forward in his campaign as being the leader of his party. He went on to say in his destructive speech—and there was nothing constructive offered whatever—that those people of Quebec, those people "in that country"—

Mr. Goodale: Those were his words.

Mr. Poulin: Mr. Speaker, those are his words. He said, "in that country". A man who would say separatism is better, and those people in that country would have some economic means which may be better than living within Canada and fighting for our better economic well-being—

Some hon. Members: Oh, oh!

Mr. Poulin: This man has been designated by his party as being their chief financial critic. For this man to say those words in this House, during the late show and at the time of adjournment, is a shameful thing to suggest in the parliament of this country. It is shameful to suggest that "in that country" they may be economically better to go their own way. I hope I never hear it again. I hope I never hear that kind of statement made.

All of us in this parliament are going to be united in an attempt to find better economic ways and means. The hon. member for York-Simcoe would have us believe that this is a phenomenon that is particular only to Canada, not knowing the world is suffering from these same kinds of conditions. We are working hard and accomplishing much. We are not going to accomplish anything by suggesting separatism may be better under any circumstance for any people in any part of this country. I think it is a wrong thing, Mr. Speaker, to have that in any part of a speech from a parliamentarian.

Mr. Stevens: That was not said, and you know it.

Mr. Poulin: The main thrust of our economic policy in this country, through wage and price controls, is to bring under some semblance of order, rapid inflation.

Mr. Stevens: You caused the inflation.

Mr. Poulin: The program is beginning to work. We hear screams from the other side because they are sorry it is beginning to work. Finally the wheels are beginning to hold and we are making some progress.

Mr. Stevens: Where have you been?

Mr. Poulin: Rapid increases in wages and prices in this country have been one of the most destructive things to our economic growth. We all know that.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. parliamentary secretary. His allotted time has expired.

CONFEDERATION—POSSIBILITY OF ESTABLISHING THIRD ORGANIZATION CONCERNED WITH UNITY

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, thank you for interrupting the hon. Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Poulin). I want to address myself to a response I received from the President of the Privy Council (Mr. MacEachen), the Acting Prime Minister, last Friday, with respect to the establishment of a third bureaucracy in regard to the whole issue of national unity.

The remarks of my distinguished colleague, the hon. member for York-Simcoe (Mr. Stevens), are very appropriate about some of the underlying causes of the feeling of separation in the province of Quebec. The gross failure of the government to deal with some of the fundamental economic issues in this country, and particularly in the area of Quebec, have been brought to our attention very, very vividly by the latest Toronto *Star* poll. Notwithstanding the rhetoric we hear from the Prime Minister (Mr. Trudeau) and others in the government, the fact of the matter is that the underlying feeling in the province of Quebec is that they are not receiving a fair and reasonable deal under this particular government.

Considerable speculation has arisen from statements made by the Prime Minister himself in his press conference with respect to the role and function of Mr. Jean-Luc Pepin in a national unity commission. The Prime Minister referred to the possibility of Mr. Pepin fulfilling a function in some new type of national unity commission. It is to be a high profile commission. The Acting Prime Minister was unaware of any possible appointment, so I assumed from that there is absolutely no danger that there will be any further bureaucracy brought into play with respect to this particular commission. If that is the case, and if the parliamentary secretary can confirm that there is not another commission being contemplated by the government, then in a sense that is a very welcome announcement, because the Prime Minister has been creating new bureaucracies with respect to the question of national unity at breakneck speed.

I suggest that bureaucracies are substitutes for constructive proposals. An attempt is being made to submerge the whole debate into a number of agencies and sub-agencies studying the effects and consequences of separation of the province of Quebec from Canada. I suggest that this is not a matter of priority to the government, and I have been urging the Prime Minister to give us some positive, constructive proposals with respect to the problem, rather than indulging in rhetoric from one part of the country to the other. I pointed this out on an earlier occasion, but the Prime Minister has not yet made any speech on the matter of national unity in the House of Commons.

I suggest that this is the place for the Prime Minister to debate, with other elected representatives from across Canada, his proposals, if he has any, to keep the country together. I suggest that he should not be creating new bureaucracies every time he opens his mouth in an effort to recycle Jean-Luc Pepin, a defeated Liberal cabinet minister, who is all of a sudden to be elevated to the capacity of giving leadership, when we know he will be nothing more than an adjunct to the Liberal Party of Canada. I think it is disgraceful for the Prime Minister, at a time of great difficulty in our country, to contemplate bringing forward a defeated Liberal cabinet minister and to give him a function as an adjunct to the Prime Minister's office, a high profile function, at the expense of the Canadian people. We know Mr. Pepin is nothing more than a political arm of the Prime Minister and of the Liberal party.

There have been no definitions of the roles of the bureaucracies which have been created. What does the federal-provincial relations office do? On Friday we referred to a speech by Mr. Gordon Robertson who, during the life of this government under our present Prime Minister, has been in charge of the federal-provincial relations office. I got the impression that in the speech he made last week there was an attempt to get back

into the dialogue, yet the content of his speech was rejected and repudiated by the Acting Prime Minister, who said Mr. Robertson did not state government policy in anything he said in those remarks. This man is clearly involved with federal-provincial relations. Apparently he has been in charge of that whole process for the last six or seven years. Now apparently he is being phased out by the creation of the Tellier bureaucracy within the Prime Minister's office and the Privy Council office, which is involved in the development of policies and studies with respect to Quebec, and now we hear that there is a possibility of a new national unity commission.

I was amused at a Canadian Press interview with Mr. Pepin which was reported in part in the Ottawa *Citizen* of April 30, 1977, as follows:

"Too many people think that to work for national unity you have to specialize in constitutional law."

The position as head of a high-profile national unity commission has been the one most often linked to him in recent days. But he confesses the idea worries him somewhat.

● (2220)

In an article in the Ottawa *Citizen* of April 30 John Gray writes that Mr. Pepin said the Prime Minister wanted him to do for national unity much the same job as he has done at the Anti-Inflation Board for the fight against inflation. I can only suggest that if that is the case we are in serious difficulty indeed.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but his allotted time has expired.

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am rather intrigued by the newly discovered interest of my hon. friend and his Conservative colleagues in national unity. Their sudden recognition of the significance of issues affecting Confederation and Canadian unity is revealing in its timing. It smacks more of expediency than substance or conviction.

I am also intrigued by the new role my hon. friend has assumed in recent months in the House of Commons. I did not notice this role in his early days in the Chamber when he and I were freshmen here. The role he has assumed in recent weeks is reflected to a certain extent in his remarks tonight and on other occasions. I seems to be that of a hatchetman, either with respect to the Prime Minister (Mr. Trudeau) or Mr. Pepin, or whomsoever is under discussion at any given moment. It used to be that he could be counted upon for positive and constructive contributions, but unfortunately that seems to be lacking recently.

With respect to the specific point raised during question period last Friday and repeated tonight, it should be emphasized that the notion of a so-called "third unity organization or bureaucracy" is a product of the hon. member's own question, or perhaps some misinterpretation that may have been reported in the press. There is nothing that I can find in *Hansard* to indicate that that is a government suggestion. Neither is there anything to be found in the transcript of the Prime Minister's news conference of April 28 to substantiate the point alleged tonight. During that news conference Mr. Pepin's position was discussed.

The Prime Minister indicated that Mr. Pepin is a distinguished Canadian who has made a tremendous contribution to the country for many years in many ways. It is obvious that the government, the Prime Minister, and I think Canadians generally, would value his continued participation in the federal arena. As the Prime Minister has indicated, some discussions have taken place, but there are no conclusions to report yet. I, for one, hope that Mr. Pepin will continue doing what he has done so well for so many years, that is, to keep on working very hard for Canada.

ENERGY—PROPOSED UPGRADING FACILITY FOR HEAVY OIL AT LLOYDMINSTER—GOVERNMENT POSITION ON FEASIBILITY REPORT

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my purpose in rising this evening is to obtain some elaboration on the question I posed to the Minister of Energy, Mines and Resources (Mr. Gillespie) on April 28 with respect to questions about the announcement of a consortium of 20 major oil companies to engage in the establishment of an upgrading facility for heavy oil in the Lloydminster region and the fact that an initial feasibility study had been submitted to the minister for consideration.

My purpose in questioning the minister on April 28 was to determine if his officials had an opportunity to examine the feasibility study and to report to the House what action the federal government has taken. In my view the minister was vague in his answer.

On May 9 a CP news story in the Edmonton *Journal* advised that new oil sands tax incentives were coming. It reported that the oil industry may soon get a look at new proposals for provincial and federal government royalties and taxes for oil sands. The news story said that the minister had made this remark in addressing the Standing Committee on National Resources and Public Works.

My purpose in posing the question was to try to ascertain what action had been taken. The minister somewhat deviated from the question by talking about a tar sands plant in the Fort McMurray region, and did not deal with the question of the heavy oil upgrading facility in any detail. As interested Canadians we are all concerned about the challenge of meeting our energy requirements. Day in and day out we see a greater importance placed upon the reserves and the heavy oil deposits in the Lloydminster region, and in the Wainwright and Kinsella areas of Alberta. The Ottawa *Citizen* of Wednesday, April 27, said in a headline, "Up to 16 billion barrels buried in Canadian fields. Lloydminster's vast belt of heavy crude may help to solve our energy problems." The article reads in part:

The heavy-oil deposits could make a significant contribution to Canada's energy requirements in future, but technological and marketing problems must be overcome,

A recent federal report . . . says the Lloydminster-type heavy oils are possibly Canada's best hope for expanding oil production in the next 10 to 15 years.

A headline in the Edmonton *Journal* of March 5, 1977, speaks of Lloydminster oil as being a key target. According to the article a heavy oil plant is being proposed. A tremendous amount of interest is being shown in this resource. I think the minister has failed to give a clear answer to the proposal advanced by the consortium of 20 companies for the establishment of a heavy oil upgrading facility. The proposal was submitted to the minister on January 31, 1977. Time is running out, Mr. Speaker. If this facility is to be in place by 1980, we need to know the ground rules, and some important issues ought to have been clarified by the end of the first quarter of 1977. That first quarter is behind us, and time marches on.

I point out that we are considering an important question. We cannot use this particular resource unless it is upgraded. The producers have indicated their interest and desire to spend risk capital on developing this important resource. They propose to establish a 100,000-barrels-a-day oil upgrading facility, modular in design to allow for future expansion. It is estimated that the facility will cost between $500 million and $700 million. It will be located in that particular area; the Hardisty terminal is close by. Further, there is every assurance that the current supply of 100,000 barrels per day of crude is available for the establishment of a viable and feasible facility.

The resources are there. We need the energy, but the major obstacle is that under existing royalty and tax structures, the project is not economically feasible, which means it is not feasible unless there is some modification. That point is the gist of the feasibility study which has been presented to the Minister of Energy, Mines and Resources.

Basically, it contains two provisions. First, the government of Alberta will have to permit a processing allowance similar to that available with respect to natural gas, to be deducted from the value of the upgraded product. Second, the Government of Canada and the government of Alberta should jointly agree upon an increased capital cost allowance for the project. This is vital, since only with such a measure can the original investment and interest be paid back within seven or eight years after start up, this pay-back period being the condition to be agreed to before the project can be financed.

One may ask, what will be the ultimate cost to the taxpayers of Canada? If all the 100,000 barrels a day of heavy oil feedstock could be marketed without upgrading, the loss in taxes and royalties due to modifications made for the upgrading facility would be in the order of $546 million for Alberta and $399 million for the federal government, over 20 years. However, the proposed 100,000 barrels a day of heavy oil cannot be marketed without upgrading. In fact, more of the supply which would be directed to the upgrading facility would be diverted from other use, the result being not a loss in royalties and taxes, but a substantial gain—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member whose allotted time has expired.

• (2230)

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I appreciate the presentation of the hon. member for Vegreville (Mr. Mazankowski) and the fact that he did not make reference to the Quebec situation. Out of three opposition speakers on the "Late Show", he is the only one who did not mention the situation in Quebec. That is not my favourite subject. I am not obsessed by the situation in Quebec. I have not panicked yet, and I won't. I have heard so many experts on the Quebec situation in the past few days that I do not know if I am qualified to speak about it. In fact, I only reside in Quebec two or three days a week.

The province of Saskatchewan has important heavy oil resources. Currently, heavy crude petroleum represents about 70 per cent of the province's current productive capacity. Heavy crudes have been difficult to market in the past, hence the current interest in upgrading activity which would improve the marketability of the province's oil resources.

Upgrading heavy crudes removes the two main undesirable characteristics, namely, the low gravity and high sulphur. Once this is done the oil will be able to gain wider access to the domestic market. The present reliance on the seasonal demand of the asphalt market will be removed. Canadians will be provided with an additional source of crude supply to help meet the goal of self-reliance.

With these objectives and advantages in mind, there are at present at least two proposals for upgrading operations. Pacific Petroleums, with its partners, has proposed a 100,000 barrel a day facility to be located at Hardisty, Alberta. Husky Oil Limited has proposed a 50,000 barrel a day facility to be located at Lloydminster. Both proposals are in preliminary stages of discussion and examination of projected economics. Other proposals have also been raised. Preliminary economic evaluation work indicates that the economics are marginal at best based on current pricing. The cost estimates for a facility are in the order of hundreds of millions of dollars with no certainty in the present upgrading technology. Consequently the undertaking of an upgrading facility by either industry or government carries a considerable degree of risk.

The government is pleased with the initiative being taken by the various companies which are pursuing the upgrading option for development of our heavy crude oil resources. Officials are keeping in close touch with the companies on the various problems associated with this resource development. There are important questions of technology and crude oil price differentials involved, as well as fiscal arrangements, both federal and provincial, to be worked out for these multi-million dollar projects.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the parliamentary secretary, but his allotted time has expired. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.35 p.m.

HOUSE OF COMMONS

Tuesday, May 17, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

SUPPORT FOR RECOMMENDATIONS IN HALL COMMISSION REPORT—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. I move, seconded by the hon. member for Red Deer (Mr. Towers):

That this House commend the Hon. Emmett Hall for the work he has done and the recommendations he has made for retention of the Crowsnest Pass rates and direct the Minister of Transport, in charge of the Canadian Wheat Board, to make a statement on motions as to his intentions with respect to the implementation of the recommendations of the Hall Commission and, further, to scrap the confidential report that recommends the ending of the Crowsnest Pass rates, in light of this repudiation of the inflexible, blanket user-pay concept in transportation.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 such motion can be presented for debate in the House only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Paproski: Ralph Goodale said no.

SUGGESTED IMPLEMENTATION OF HALL COMMISSION RECOMMENDATIONS ON STATUTORY RATES—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I wish to move a motion under Standing Order 43 similar in nature to the motion just moved. It, as well, is urgent and pressing and is in regard to the report of the Hall Commission tabled in this House yesterday which contains a recommendation that the statutory grain rates be retained and that the difference between the statutory rate and the cost of transporting grain be paid directly to the railways. If I may have the unanimous consent of the House, I would move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House calls upon the government to immediately implement the recommendation of the Hall Commission on statutory rates.

Mr. Speaker: Order, please. Pursuant to Standing Order 43, such motion can be presented to the House for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Paproski: Ralph Goodale again said no.

* * *

ENERGY

PROPOSED FEASIBILITY STUDIES FOR NEW COAL MINES IN NOVA SCOTIA—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise under Standing Order 43 on a matter of urgent and pressing necessity. Since a privately financed international study group which included Canada's National Energy Board Chairman, Marshall Crowe, and Maurice Strong, Chairman of Petro-Canada, Canada's national oil company, who both were involved in this study, that study predicting that demand for oil in the non-communist world will probably overtake available supplies some time between 1985 and 1995, and possibly by 1981; since electricity costs in Nova Scotia, a province which is a large importer of oil, have increased about 100 per cent over a two year period; and since in April there were 14,476 active claimants on the unemployment insurance rolls in Cape Breton, and some 3,500 applications for jobs in the Cape Breton coal mines, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Department of Regional Economic Expansion, along with Devco, immediately start feasibility studies for new mines in Donkin and New Victoria in Cape Breton county.

Mr. Speaker: Order, please. Standing Order 43 requires the unanimous consent of the House for the presentation of such a motion for debate. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

ORAL QUESTION PERIOD

[*English*]

TRANSPORT

IMPLEMENTATION OF HALL COMMISSION RECOMMENDATIONS—GOVERNMENT POSITION

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is to the Prime Minister. In view of the

tabling of the long-awaited Hall report yesterday, which will go down in history as the economic Magna Carta of western Canada, does the government intend to implement its recommendations before the calling of a general election?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not believe the hon. member seriously expects me to report today on the government's position on a very, very lengthy piece of work. At this stage I would associate myself with at least part of the feelings of the hon. member opposite who said that Judge Hall should be commended for his very, very dedicated work to Canadians and his concerns for the west.

An hon. Member: Why didn't you support the motion?

Mr. Trudeau: Obviously, the motion was leaning toward the support of all the recommendations before we even read the report. Only members of the Tory party would want to support something before they read it.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, in view of the fact that these matters have been before Canadians and this parliament for over 40 years and the material and facts are so well known, will the government at least indicate to the country that on certain sections of this report they will move immediately? I refer specifically to the question of railway line abandonment, the government elevator policy, rationalization of our use of the grain handling system and the railway operation.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I certainly want to join the expressions of commendation to Mr. Justice Hall and the other commissioners who did a tremendous job in hearing public views from all across the west in connection with the grain handling system. I do, of course, intend to put forward recommendations with regard to the various proposals of the commission at a very early date. They will be put before the House as quickly as we possibly can. Obviously there will be a different timeframe for different recommendations because of the complexity of some of them, but it will be our intention to move very rapidly on this important report.

Mr. Hamilton (Qu'Appelle-Moose Mountain): To be specific, Mr. Speaker, I will direct this question to the Minister of Transport. Will the recommendations and solutions offered in the report be implemented in this session or in the fall session?

Mr. Lang: Mr. Speaker, my timeframe would see action on some of the recommendations and some of the issues involved almost certainly before the end of June.

STATUTORY FREIGHT RATES—GOVERNMENT POSITION ON HALL RECOMMENDATIONS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to direct a supplementary question to the Minister of Transport having to do with the very important question of statutory freight rates. In view of the recommendation which re-affirms the continuation of the statutory freight rates for the movement of grain, will the minister seize the opportunity to ensure the producers of western Canada that this very important recommendation will be accepted as government policy? It would serve to allay the fears of many producers on this very, very important historic instrument.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I think I have been as emphatic as anyone in maintaining the western interest in the maintenance and benefits of the Crowsnest rate. I have noted in the Hall report the very clear-cut analysis of the impact of rail freight rates on development and processing and natural advantage. The only solution that I perhaps read in this would involve a tremendous additional expenditure of taxpayers dollars which the commission itself does not quantify. Obviously, I would not associate myself with members opposite in agreeing to spending money like that without knowing how much it would be.

In addition, of course, I am impressed by the fact that according to the very argument of Mr. Justice Hall freight rates have their impact on processing. If this does appear to be a fact ignoring the real cost of transportation will tend to increase the volume of expenditure on transportation, in this particular case it means specifically that lower freight rates on materials like wheat and grain tend to encourage the shipment of the grain rather than the processing of that grain into meat, and that is what my colleague, the parliamentary secretary to the government House leader, meant when he said he was in favour of the west on this issue. We are in favour of developing real means for further processing in the west and not appearing to simply seize short-term political advantage out of any situation.

Some hon. Members: Hear, hear!

Mr. Mazankowski: Is the minister saying, then, that he does not agree in total with the recommendation of Mr. Justice Hall and his colleagues with respect to the statutory freight rates? Is he saying he does not agree that the difference between the statutory rate and the cost of transporting grain should be paid directly to the railways by the treasury? Am I to assume that the Minister of Transport is discarding that particular possibility out of hand?

Mr. Lang: No, Mr. Speaker. The hon. member is completely wrong in making that assumption. He should reread my answer. What I am saying is that any embracing of a proposal which would involve the expenditure of perhaps hundreds of millions of dollars, without even knowing whether it is $300 million or $800 million, is irresponsible and only to be seen in the hands of Conservative politicians who don't care about the west.

Some hon. Members: Oh!

Some hon. Members: Hear, hear!

Mr. Paproski: You can tell an election is coming up.

ADOPTION OF HALL RECOMMENDATIONS ON FREIGHT RATES TO ENCOURAGE PROCESSING IN WESTERN CANADA

Mr. Les Benjamin (Regina-Lake Centre): Since the minister is concerned about a timeframe I should like to put a question to him about matters over which he presently has authority to act; I suggest we could implement some of Mr. Justice Hall's recommendations within a timeframe, and that legislation is already available to him. The Hall Commission report notes that the production and processing of agricultural products should take place in the regions which have natural geographic advantages for such activities; freight rates and other related transportation policies should not destroy or hinder these natural advantages—which, by the way, is the opposite to what the minister has been doing. The commission goes on to say that in a number of areas this has not been the case up to the present. Flour milling, rapeseed pressing, livestock processing and the malting industry and a number of changes in freight rates and related policies would have the effect—

Some hon. Members: Order!

An hon. Member: You've reached your 40-minute limit!

Mr. Speaker: Does the hon. member have a question to ask? If so, will he put it now?

Mr. Benjamin: Yes, Mr. Speaker, and it will not be as long as the minister's answer to the hon. member for Vegreville. In the light of that statement by the Hall Commission, I should like to ask the minister whether it is the intention of himself and the government to adopt the Hall Commission recommendations with respect to these rates and the encouragement of processing industries in western Canada?

Hon. Otto E. Lang (Minister of Transport): The hon. member is quite wrong in thinking that this would not require legislation. Moreover, he has overlooked the fact that in connection with rapeseed we have introduced a program of financial assistance to the rapeseed crushing industry to avoid some of the dilemmas which arise out of the differentiation in rates between the low rate on rapeseed and the more ordinary but still low rate on oil. This involves the expenditure of money but on a temporary basis until better long-term solutions are found.

We have also acted to meet the problem of the stop-off charge in eastern Canada being lower than the stop-off charge in western Canada by supporting the difference in those stop-off charges by charging it against the treasury and paying the money annually to the flour millers. These are examples of the ways in which we have been very conscious of the need to avoid the impact of adverse freight rates and costs upon the west.

Of course, we do want also to come to grips with the overall problem. It is our objective to implement, as we have said in connection with the feed grain policy time and time again, the development of the processing of agricultural products in accordance with natural advantage. That means with equity in freight rates between various products. What hon. gentlemen opposite have been reluctant to do is to say anywhere outside of the west what they mean by equity.

Some hon. Members: Oh!

An hon. Member: Loser pay!

Some hon. Members: Sit down!

Mr. Speaker: Order!

• (1420)

SUGGESTED AMENDMENT OF BILL C-33 TO PROVIDE FOR EQUITY IN TRANSPORTATION COST BETWEEN RAW AND PROCESSED MATERIAL

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I pursue this subject with the minister. The moneys given the rapeseed crushing industry are designed to take them that much longer to go broke under his present policies. The Hall report notes that one of the first principles to be acted on with respect to transportation policy is a freight rate structure in which the processed product in its concentrated form should cost no more to transport on a per-ton-mile basis than the same product in its raw state. Since the Hall report notes that the absence of this principle has had a damaging effect on the economy of the western provinces, and since the current transportation policy bill before this House, Bill C-33, does not ensure this principle, will the minister assure the House that he will either amend the bill to enshrine this principle within it, or withdraw the bill?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the very point I was making is repeated by the hon. member. Obviously equity relationship between cost of rates on the product and on rapeseed is fundamental to fair development of these products and the processing of them according to natural advantage in Canada. The dilemma, of course, is that that would lead to putting everything that is shipped on the Crowsnest pass rates. Hon. members opposite might pretend that that would be a great thing in terms of low freight rates, but in fact it would cost the taxpayer a tremendous amount of money and I do not know what the hon. member's colleagues from other parts of the country might say about that.

In addition, it would lead to waste in the form of lowered productivity by having a transportation system which ignores costs, and therefore goods would be shipped far further before being processed than is to the advantage of this country. That is something which I will oppose in our transportation policy.

POSSIBILITY OF CONSIDERING HALL REPORT AS A PACKAGE—REQUEST FOR TABLING OF REPORT

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I put a final supplementary question which incorporates two questions. The minister was quoted on the CBC national news last night as saying that he did not intend to concern himself with anything in the report except recommendations about which lines were to be abandoned and which were to be

retained. Can the minister assure the House that the Hall Commission report will be taken as a package, as Mr. Justice Hall clearly intends, and that his recommendations regarding general transportation policy and its place in economic development will be considered in that package? Finally, in light of what is the obvious problem which the minister is having with the Hall report, can the minister say whether he will request the House leader to refer the report to the Standing Committee on Transport and Communications?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the hon. member, I presume innocently, completely distorted and misstated what I said about the recommendations in the Hall Commission report. I did make the point that a certain number of comments on the Hall report were based on matters which may have come as a surprise to people appearing before the commission. The central theme of the commission's report, on the other hand, which was completely within its terms of reference, was extremely well researched, worked, debated and heard about throughout the sessions across the prairies and this section obviously has a lot more weight attached to it. I also in fact said that I did not want any of my comments about peripheral matters in the report to detract in any way from the report, which I thought was very commendable indeed.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

DATE WHEN AGREEMENTS WITH QUEBEC WILL BE SIGNED

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion.

In an interview given to the newspaper *Le Devoir*, Mr. Jacques Léonard, minister of state for Quebec development, formally accused the Minister of Regional Economic Expansion of wilfully delaying the signing of agreements said to have been finalized between Quebec and Ottawa. Can the minister tell the House whether that is true and also, if the agreements have not yet been finalized, when those very important documents, according to this morning's newspaper, will be signed?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, what I would like to say about the headline I see in *Le Devoir's* morning edition is that I am not responsible for any delay in signing amendments which, to be more specific, would alter to quite an extent existing agreements in discussions now being held. As recently as yesterday, Mr. Speaker, I received information we had requested further to Mr. Léonard's filing certain proposals with me at the end of April. We got the information requested yesterday, and my officials and myself are now in the process of studying both the proposals and related information. I was in touch with Mr. Léonard again this morning and hope to be able to get back to him and advise him of my position with regard to his proposals some time before the end of the week.

[Mr. Benjamin.]

INQUIRY AS TO DISTRIBUTION OF MONEY ALLOTTED TO QUEBEC FOR DEVELOPMENT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a supplementary to the minister.

As the amendments to the agreements which have already been finalized involve a fairly large sum of money—the figure of $409 million has even been mentioned—would the minister tell the House whether this $409 million estimate is correct and if so whether this amount will be equitably shared by the different areas concerned by these agreements or if the province of Quebec will be allowed to concentrate all this money in the same place as was done in the past?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, since the figures mentioned by the hon. member are the figures which apparently have been given to the press by the minister, obviously I cannot question them. In fact, according to the proposal brought in by the provincial authorities, the total amount of the contributions which would be granted during the next five years, through amendments to the present agreements or possibly through a new agreement, could reach $409 or $410 million. That is the possible amount of our contribution to those programs which have been submitted to my department and it is this matter we are now considering, Mr. Speaker.

POWERS TO MODIFY AGREEMENTS WITH PROVINCES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to ask another supplementary question of the minister.

Since there are negotiations between Quebec and Ottawa, which is normal, does the federal government reserve to itself the power to amend any proposed agreement which relates to projects introduced by the provinces, particularly by Quebec, when difficulties have been encountered in the course of those negotiations because one of the two parties involved rejected any part of that project?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, it is obvious that if there are negotiations it is because both parties are willing to negotiate. In the course of those negotiations, consideration is being given to representations made to the federal government of course, and to myself in particular. Those representations originate from any place in the province, in your own region and in others, and we must try to reconcile those proposals with priorities of the provincial government and with what it is prepared to incorporate into its own program. Therefore, it is obvious that during negotiations we must discuss and try to come to a compromise between reasonable people so as to take into account distributions of undertakings and expenses in a way which will best satisfy the interests and the needs of more disadvantaged regions.

[*English*]

TRANSPORT

HALL RECOMMENDATION ON STOP-OFF CHARGE FOR GRAIN AND USE OF INTERIOR TERMINALS—GOVERNMENT POSITION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Transport. The Hall Commission in its report recommended the elimination of the railway stop-off charge for grain in transit and also the utilization of interior terminals to supplement the storage and cleaning facilities at Thunder Bay, Churchill, Prince Rupert and Vancouver. I wonder whether the minister agrees with this recommendation, and will a decision be announced as to its acceptance before the fall?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, as with many of the recommendations in the report, I will want to look at them a good deal further and also examine their costs before commenting.

● (1430)

Mr. Neil: Mr. Speaker, is the minister prepared to refer these recommendations to the Canadian Grain Commission and the Canadian Wheat Board for study?

Mr. Lang: Mr. Speaker, only after I have had a chance to examine further what the proper disposition should be.

POSSIBLE WITHDRAWAL OF BILL C-33 IN VIEW OF HALL REPORT

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, my question is to the Minister of Transport. In view of the recommendations of the Hall Commission regarding railways, will the government now consider withdrawing Bill C-33 from its agenda for this session?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there is no rational or logical connection between the Hall Commission report and that bill.

Some hon. Members: Oh, oh!

Mr. Hamilton (Swift Current-Maple Creek): The Hall Commission recommends dealing with the national railways as instruments of national policy. Bill C-33 proposes to turn over rail transportation to a bunch of bureaucrats. I take it from the minister's answer that he favours the latter course.

Mr. Lang: Mr. Speaker, the hon. member can take it from the minister's answer that he thinks the hon. member's observation is nonsense.

RAIL LINE ABANDONMENT—GOVERNMENT POSITION ON HALL RECOMMENDATIONS

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Transport. Since there are recommendations in the Hall Commission report that certain railway lines should be abandoned by June 30, 1977 and that others should be abandoned by December 31 of this year, would the minister inform the House whether this is a *fait accompli*, or will the Prairie Rail Authority be permitted to take a look at these proposals?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, this is the kind of decision I expect we will make before the end of June.

* * *

LABOUR CONDITIONS

POSSIBILITY OF PROGRAM TO IMPROVE EMPLOYABILITY OF YOUTH

Mrs. Ursula Appolloni (York South): Mr. Speaker, my question is directed to the Minister of Labour, and it relates to the minister's recent announcement of the first phase of an affirmative action program designed to improve and enhance the employability of women in Canada. While I wholeheartedly welcome this excellent initiative, I wonder if the minister, together with his colleague the Minister of Manpower and Immigration, is contemplating a similar program designed to improve the employability of Canadian youth?

Hon. John C. Munro (Minister of Labour): No, Mr. Speaker, but we believe the application of our labour policies in the long run will have that impact.

* * *

TRANSPORT

PROPOSED RAILWAY TO TRANSPORT OIL AND GAS FROM ARCTIC—REQUEST FOR TABLING OF STUDY BY CANALOG LOGISTICS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is to the Minister of Transport. Given that the Hall Commission report endorsed earlier recommendations by Canalog Logistics and the Institute of Guided Ground Transport at Queens University that the transport of Arctic oil and gas by rail is feasible both from an engineering and a financial perspective, is the government now giving serious consideration to this kind of facility as a means of transportation and development in the north? I ask that particularly since the Minister of Energy, Mines and Resources last week summarily dismissed this option in replying to the right hon. member for Prince Albert, and that was before Mr. Justice Hall's report was available and before the report of the National Energy Board. Is this strong endorsation by Mr. Justice Hall of an Arctic railway now being given very serious consideration by the government?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, with regard to a matter such as this I say I would not consider the Hall report to be the definitive work because certainly all the arguments on the question and all the evidence and the facts were not before the commission in the course of its

deliberations. I am somewhat surprised that the hon. lady should suggest that we should go ahead and decide on a rail line along the Mackenzie without having regard to environmental considerations, which have been seen by her to have a great impact on the pipeline question.

Miss MacDonald: I said consider it.

Mr. Lang: The studies to which the hon. member referred which indicated the possible feasibility of a railway did not deny that it might require between 10 and 12 years to complete it, which might make it rather an academic exercise in terms of the very oil and gas which that study saw as being required to make it economically feasible. The fact of the matter is that that study was based on the theory that not only gas from Prudhoe Bay but, in addition, oil would be available for that railway and its economic justification. As the hon. lady may know, that oil is now going another way from Prudhoe Bay.

Miss MacDonald: Mr. Speaker, in referring to the study done by Canalog Logistics Mr. Justice Hall said: "We have intensively reviewed the 13 volume study of this proposed railway and are most favourably impressed by the breadth of its investigation and the superior quality of its analysis". In order to enable hon. members of this House to participate more effectively in the debate on the motion in the name of the President of the Privy Council, will the Minister of Transport now undertake to table the complete 13 volume report prepared by Canalog Logistics rather than just the 28-page executive summary which was tabled in October of 1974?

Mr. Lang: Well, Mr. Speaker, this may be the type of work which might be more suited for deposit and access to the public in the Transport Canada library, if it can be placed there. I will certainly see if that can be done.

Miss MacDonald: Table it.

Mr. Lang: Indeed, it may already have been done. The hon. member may have checked. I can agree that the work in those 13 volumes was very fine indeed, but as I pointed out to the hon. lady, it was based on certain theories and facts which are no longer applicable in terms of the availability of oil and gas for that movement.

Miss MacDonald: Let us decide that. Give somebody else a chance to decide.

* * *

POST OFFICE

ALLEGED ILLEGALITY OF RATE INCREASE—GOVERNMENT ACTION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. In light of the unanimous report of the Standing Committee on Regulations and Other Statutory Instruments, tabled last week, which stated that the Post Office has improperly increased first class postal rates, thereby collecting and profiting from approximately $100 million over the past 8½ months, will the Postmaster General immediately suspend the collection of the illegal 4 cents until enabling legislation is passed?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, as I indicated in the committee, I do not agree with the premise of the hon. gentleman's question. As I indicated in committee, there is no finding by the Standing Committee on Regulations and Other Statutory Instruments that the collection is illegal, and there is no intention at all of discontinuing the practice.

Mr. Dinsdale: Mr. Speaker, would the hon. gentleman be willing to table the legal opinion upon which the decision to raise the postal rates by regulation rather than by parliament was based, and would he also be willing to submit it to the Supreme Court of Canada for decision?

Mr. Blais: Mr. Speaker, I refer the hon. gentleman to section 13 of the Financial Administration Act.

* * *

ENERGY

SUGGESTED EXTENSION OF HOME INSULATION PROGRAM AS CONSERVATION MEASURE

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Prime Minister. An international study group published its findings yesterday, which state that the non-Communist world will probably run out of available supplies of oil and gas between 1985 and 1995, that it is possible that this could occur in 1981, depending on the policies of Saudi Arabia, and that the world must drastically curtail growth in the use of energy and move massively out of oil into other fuels with wartime urgency. Mr. Marshall Crowe of the National Energy Board participated in that study, and he says that the report adds immensely to one's sense of urgency. Does the Prime Minister have a sense of urgency about this situation and about the need for energy conservation, and would he direct his minister to implement an effective conservation program by extending the home insulation grants program beyond Nova Scotia and Prince Edward Island to the rest of the country, keeping in mind the fact that the director of the office of energy conservation has just resigned—

Mr. Speaker: Order.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member is obviously making a representation that the government extend a program which has been applied in two provinces. We applied that to two provinces for a reason which is well known to the opposition, the great dependency of those two provinces on petroleum for the production of electricity. Extending the program to other provinces is being considered. The financial implications of it, of course, are very great.

POLYSAR

ALLEGATIONS OF ILLEGAL PAYMENTS TO CUSTOMERS—REQUEST FOR REPORT

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, before the Minister of Finance went on his trip to London and because of certain media revelations from Amsterdam, in the Netherlands, he undertook to inquire into—and has, I understand, received—a report from CDC regarding the Polysar controversy and the identification of some of its customers. Because the Public Accounts Committee was frustrated in its attempt to receive that information on the basis that a certain Swiss law grants an exception where shareholders are making the same inquiries and because the minister in the right of Canada is the major shareholder of CDC, which in turn owns Polysar, I wonder if the minister can now tell us what is in that report. Could he also tell us when that report, if there is anything worthwhile in it, is going to be transmitted to the Public Accounts Committee?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as I indicated, I asked the representatives of the Government of Canada on the board of Canada Development Corporation, the parent company of Polysar, to inquire, through the management of CDC, of Polysar with respect to these particular media allegations. I have been advised, as I advised the House, that an investigation is being carried out by Polysar management with regard to improprieties but no report has yet come from that examination. I gather that the corporation would probably have some contest with the hon. member as to the legal question involved. They have taken the viewpoint that in the light of Swiss law, representatives of the company would be subject to legal sanction in Switzerland if they revealed details about individual customers. I understand the hon. gentleman was offered this information and it was offered to the steering committee on a confidential basis but the position taken by the company is that they could not put it on the public record. When the response to the investigation is received I will of course want to examine it. I will then be glad to discuss with the hon. gentleman its possible use in the Public Accounts Committee.

● (1440)

ALLEGATIONS OF ILLEGAL PAYMENTS TO CUSTOMERS—POSSIBILITY OF REQUEST FOR INFORMATION FROM NETHERLANDS GOVERNMENT

Mr. Allan Lawrence (Northumberland-Durham): A supplementary question, Mr. Speaker. Obviously if any Canadians are implicated they are going to be those same officials from both Polysar and the CDC who are conducting the investigation. It seems rather strange that we cannot have more information, which I am sure the minister must have, than he has given to the House. In any event because those same media stories indicated that the Netherlands government was already conducting an investigation into the same matter and expected to have some of its information presented to them by the Canadian government, could the minister indicate if that information has been given to the Netherlands government or has there been any request for any such information?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I know of no such request from the government of the Netherlands—certainly none that has come to the government of Canada—but it may well be that the subsidiary of the Canadian corporation has been the subject of such a request. I would remind the hon. gentleman that, contrary to his allegations about the management of Polysar, they did appoint an independent inquiry made up of a retired Court of Appeal judge and a member of the Toronto business community and that they did make an independent investigation of these particular allegations.

* * *

TRANSPORT

RAIL LINE ABANDONMENT—INQUIRY WHETHER DECISIONS BASED ON SOCIAL AND ECONOMIC GROUNDS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Minister of Transport. In recommending the abandonment of some railway branch lines, Mr. Justice Hall proposes that the agency making the decisions as to which lines should be abandoned, should be dedicated exclusively to the public service and relieved of the commercial standards of the corporations it is to suspersede. I should like to ask the minister if the government agrees that the future of the transportation system in western Canada should be decided on social and economic grounds as well as on the basis of commercial viability or user-pay, as it has been up to now?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, obviously it was the desire to take social and other factors totally into consideration which led us to set up the Hall Commission and receive from it this very commendable job of work. Those are the factors we took into consideration. The Prairie rail authority to which the hon. member has made oblique reference is a very interesting idea in terms of dealing with these questions in the future in relation to several thousand miles of line. I will certainly want to consider that very seriously and to hear representations from farmers and representatives of farm organizations before drawing conclusions on the recommendations to put before my colleagues.

RAIL LINE ABANDONMENT—SUGGESTED SUBSIDIZATION OF UNECONOMIC BRANCH LINES

Mr. David Orlikow (Winnipeg North): A supplementary question, Mr. Speaker. Since the Hall Commission recommended that in the interest of promoting economic development in western Canada there should be continuing subsidies for some uneconomic branch lines, will the government now agree that it should carry the cost of such regional development of transportation, rather than shifting much of the cost to the provinces as the minister proposed just last week?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I do not agree with the hon. member's comments.

* * *

SOCIAL SECURITY

MEASURES TO ENSURE ELIGIBLE CITIZENS RECEIVE OLD AGE PENSION

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is for the Minister of National Health and Welfare. I should like to know if any special measures have been taken to ensure that all senior citizens receive their old age security benefits when they reach age 65?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, usually all senior citizens make application well before they reach age 65. For those who apply late, there is provision in the Act for retroactivity. Unfortunately, some senior citizens do not apply in time. For instance, I am sure all members of the House will join me in wishing a happy birthday to the hon. member for Westmount who is celebrating his 65th birthday today.

Some hon. Members: Hear, hear!

Mr. Lalonde: Unfortunately, the hon. member has not yet sent in his application so I am writing to him today, as I do to other senior citizens when a special case is brought to my attention, pointing out all the benefits available to senior citizens—the Canada Pension Plan, the basic old age security, the guaranteed income security, the Canada Assistance Plan, New Horizons and to make sure nothing is forgotten, I am sending him family planning information as well.

* * *

OLD AGE SECURITY ACT

DATE OF PROCLAMATION—PROGRESS OF NEGOTIATIONS WITH OTHER COUNTRIES ON RECIPROCAL AGREEMENTS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I want to extend my congratulations to the hon. member on reaching the age of 65. As we are involved with the old age security bill, can the minister advise whether it is still his intention that the bill will be in effect by July 1. I think this is the indication the minister had given to us earlier. After that Mr. Speaker, I have a slight supplementary.

Hon. Marc Lalonde (Minister of National Health and Welfare): Yes, Mr. Speaker. The plans are to the effect that the bill which was approved by parliament will be proclaimed before July 1.

Mr. Speaker: One slight supplementary.

Mr. Alexander: We are all entitled to make one mistake every now and again, sir, and I do not make too many. Given the fact that the minister has just returned from overseas where I understand he had discussions with personnel in the United Kingdom, France and the United States, can the minister advise how the reciprocal agreements are coming along and whether any will be entered into by July 1? I am speaking in particular of the United Kingdom and the United States.

Mr. Lalonde: Mr. Speaker, officials of my department were in Washington last week to have discussions on this subject. Meetings with British officials are scheduled for the week of July 11 and we are to have meetings with French officials in early fall. Unfortunately, I do not think we can have agreements ready for signature by the time the bill is proclaimed. With regard to the British situation, their minister has indicated interest in reaching an agreement but he pointed out that there might be some financial difficulty in Britain in meeting the commitment that could be made under such an agreement. We are going to explore the matter further.

* * *

FISHERIES

RIVER HERRING—STEPS TO DETERMINE QUANTITIES CAUGHT BY FOREIGN FLEETS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Fisheries and the Environment. On May 2 the captain of a Soviet fishing trawler who had been detained since April 11 for catching river herring gaspereau some 130 miles at sea in greater quantities than allowed by law, pleaded guilty in a United States district court and was fined $10,000 and placed on nine-months' suspended probation. Since the normal run of river herring or gaspereau is practically extinct at the present time in Nova Scotia, I should like to ask the minister what steps he or his officials are taking to determine the quantities of these fish caught by foreign fleets off our coast, in the hope of preserving this species which is salted and exported to the West Indies, when it is available, thereby adding to the income of our inshore fishermen?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, if violations occur for quotas which are not available to the foreign fleet, obviously they will be dealt with first in the courts. If found guilty, then they will be informed that their licence will be suspended for a given period of time. So far we have suspended licences for one year and have indicated where there are repeated violations the licence will be suspended indefinitely.

* * *

ENERGY

SALE OF URANIUM AND NUCLEAR REACTORS—CANADIAN POSITION ON DISPUTE BETWEEN UNITED STATES AND GERMANY

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Prime Minister. Can he shed any further light than

came forth in the communiqués issued from London and the press reports, on the development of the dispute between Germany and the United States with respect to the handling of the sale of uranium and reactors? Is Canada taking an active position in support of one side or the other, given the fact that the Canadian position has not been that far removed from that put forth by the President of the United States?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must admire the euphemism that the hon. member uses in saying our position is not that far from that of the United States. He will know, of course, that Canada has taken the lead in this matter. We put on safeguards a considerable period of time before the Americans caught up to us. Of course, our position has been one of great doubt about the utility and necessity of reactors and indeed much of our safeguards position centres around the undesirability of having reprocessing plants. Naturally, President Carter was stating the view we had already stated many times.

● (1450)

In the debate between President Carter, the German Chancellor and the French president, naturally, the Americans are on the same side as Canada. We all attempted honestly at that summit to find a way out of this difficulty. The hon. member is aware, of course, that we set up a group to establish within 60 days terms of reference for the study which would look at the problem of fuel cycling, to see if there is any way of reaching a compromise on the types of safeguards which are needed and would meet the arguments of both sides.

* * *

EXTERNAL AFFAIRS

DATE OF STATEMENT ON ARRANGEMENTS AND SAFEGUARDS FOR SALE OF NUCLEAR TECHNOLOGY

Mr. James Gillies (Don Valley): Mr. Speaker, may I direct my supplementary question to the Secretary of State for External Affairs? I have never been particularly impressed with arguments as to who was first in this area. Given that Canada started the atomic race in the Far East, I do not see why we should argue who was first, whether it was the United States or somebody else. The Secretary of State for External Affairs told the House before he went abroad that he would make quite a detailed report to the House on the whole range of safeguards, bilateral agreements, multinational agreements and agreements with non-proliferation signatory countries, in which Canada is involved. I think even the minister will agree, this is a highly confusing situation. Can the minister tell the House when he proposes to make that report, so that hon. members who are keenly interested in this important matter can be certain of being present.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I will be glad to reaffirm my intention of doing so, and as thoroughly as possible. I cannot be specific about time. I think the hon. member knows that a Japanese delegation is in Ottawa, with whom our officials are speaking, and there are also talks going on with the European countries concerned. I think it would be inappropriate for me to make a full declaration of the type I have been speaking about during the period of those negotiations. As soon as there is some clarity as to where we are going with those countries in those negotiations, I will be glad to do it. In case the hon. lady is worried that this will not take place until the millennium, let me say that this will be done within the next two weeks. If the negotiations have not been completed in two weeks, I will make the statement in any event.

* * *

[*Translation*]

IMMIGRATION

POSSIBILITY FOR GOVERNMENT TO ADOPT SELECTION CRITERIA PROPOSED BY QUEBEC

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to put a question to the minister responsible for immigration, but since he is not in the House I shall direct my question to the right hon. Prime Minister.

Since in recent days or last month Quebec Labour and Immigration Minister Jacques Couture has apparently sent to the federal Minister of Manpower and Immigration a paper containing a new approach to change the immigration criteria which already exist in Quebec, can the Prime Minister tell the House whether he has read that paper sent by Mr. Couture and whether the Department of Manpower and Immigration or the federal government intends to do something in that regard?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not read that document myself, but I am told there will certainly be a meeting between officials of the federal government and Mr. Couture, the Quebec minister, next week.

* * *

LABOUR CONDITIONS

NEGOTIATIONS WITH AIR CANADA EMPLOYEES—POSSIBILITY OF APPOINTING CONCILIATOR

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, my question is for the Minister of Labour.

Since the union representing the 2,000 employees of the flying personnel of Air Canada cannot continue the negotiations with that Crown corporation because the parties are unable to agree on a place to do so, and since the personnel union will have the right to strike within 14 days should the minister fail to appoint a conciliator, can the Minister of Labour tell hon. members whether he has read the union's request and, if so, can he say whether he proposes to appoint a conciliator?

[*English*]

Hon. John C. Munro (Minister of Labour): Yes, we do, Mr. Speaker, next week.

* * *

CANADIAN BROADCASTING CORPORATION

APPOINTMENT OF MR. O'NEIL TO HEAD PUBLIC AFFAIRS PROGRAMMING—POSSIBILITY OF MORE BALANCED PROGRAMMING

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Prime Minister. Recently the Montreal *Gazette* announced that the Prime Minister's former press secretary has been appointed as head of public affairs programming for the Radio-Canada television network. I ask if, in making the personal appointment, the Prime Minister instructed the CBC to make a balanced presentation of public affairs and news programs in order to avoid those situations of which government members were so critical?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member may recall that the gentleman in question, Mr. O'Neil, was also president of the parliamentary press gallery.

Mr. Hnatyshyn: Nobody's perfect.

Mr. Trudeau: That is possible. The hon. member for Saskatoon-Biggar says nobody is perfect. Every time we hear him talk we realize that is a fact.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Thank you, Pierre. That remark will be worth a couple of thousand votes in the next election.

* * *

ENVIRONMENTAL AFFAIRS

REPORT ON PRODUCTION OF METHANOL—GOVERNMENT ACTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Fisheries and the Environment and relates to the production of methanol. As methanol can be produced economically in Canada from surplus forest materials, which is a significant fact in view of reports saying that there will be gasoline rationing in the near future, and as methanol can be used alone or as a blend with gasoline, I ask the minister what action his department will take with regard to methanol production, and what will it do with the study the department obtained from Inter-Group Consulting Economists, Ltd. of Winnipeg with regard to the method of producing methanol?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, that excellent report, in the commissioning of which my department was involved, is opening the possibilities for interesting developments. The second step has been the establishment of an interdepartmental committee, consisting of officials from the Department of Energy, Mines and Resources and other departments including those with financial responsibility, to look at the prospects and feasibility of the proposal and to bring forward firmer recommendations. I think, from my initial assessment, the proposal offers interesting prospects for the utilization of a lot of the waste wood in our country.

Mr. McKenzie: A supplementary question, Mr. Speaker. As the study stated that the building of a methanol plant would create 40,000 new job openings, I ask the minister if he is planning meetings with the private sector, with the forestry industry, in order to get a methanol production plant going?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, we have not yet reached that stage. Obviously, if we were with the other departments involved to recommend federal involvement in this area, it would be perfectly logical to involve the industry.

* * *

POST OFFICE

REASON FOR CONTINUING SALE OF PHILATELIC MATERIAL IN VIEW OF AUDITOR GENERAL'S RECOMMENDATION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is for the Postmaster General. Will the Postmaster General please explain why the Post Office continues to sell such non-postal materials as stamp album kits, souvenir stamp cases and first day covers, when the Auditor General has questioned since 1972 whether the sale of these items falls within the powers of the Postmaster General under the Post Office Act?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, I am not aware of the Auditor General's representation relating to that point. We are selling philatelic items and have sold such items for some time. There was some question at one time if the prices solicited were sufficient, considering that we were selling stamps with those items. Besides that I see no difficulty, Mr. Speaker.

Mr. Baker (Grenville-Carleton): Stick to the mail.

Mr. Darling: A supplementary question, Mr. Speaker. When will the Postmaster General introduce legislation, promised since 1973, which will give the Post Office the necessary authority to sell this material and junk?

Mr. Blais: Soon, Mr. Speaker.

FINANCE

GOVERNMENT POSITION ON FINANCIAL GUARANTEES REQUESTED BY ARCTIC GAS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Finance. Since the Arctic Gas Company has repeatedly said before the National Energy Board that it will require financial guarantees before it can proceed with the construction of the pipeline, and has gone so far as to say, no guarantees, no pipeline; and since the minister, in answer to questions, previously said Arctic Gas has not made any formal application, I ask if that is still true, namely, that there has been no formal application? Also, has he received from Arctic Gas officials correspondence outlining the terms and conditions of the kind of guarantee they would require. If so, what has been the minister's reply to such correspondence?

● (1500)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I think it is fair to say that I have not received any official request for financial assistance of that kind. Representatives of the Canadian Arctic Gas Pipeline group have indeed discussed the evidence that they gave to the National Energy Board with my officials indicating the financial concerns in relation to which they would be seeking support. The general position we have taken is that in view of the fact the board has not reported, and indeed the board may not find in favour of their particular application, it would be premature for the government to seek to make any decision with regard to financial applications, either from this particular group or any other pipeline group.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that Arctic Gas has asked for a conditional permit, the only applicant which has, and the condition is that they get financial guarantees, may I ask the minister if it is the government's intention, assuming Arctic Gas gets a conditional permit, to deal *post de facto* with the matter of giving a guarantee and to introduce legislation in the House, asking parliament to approve financial guarantees after the company has the permit to proceed with the construction of a pipeline?

Mr. Macdonald (Rosedale): Mr. Speaker, as the hon. member points out, the situation is entirely hypothetical at this point. He probably states the situation correctly, that if the government of Canada wants to give guarantees of any kind to any pipeline applicant, it would either through the estimates or some other legislation have to seek the support of parliament. As I said in response to the previous question, we have not addressed ourselves to that at this point because there is no indication at this point that this particular group is going to be successful as an applicant.

[*Translation*]

Mr. Lavoie: Mr. Speaker, I am raising a question of privilege because yesterday, seconded by the hon. member for

Esquimalt-Saanich (Mr. Munro), I put to the House a motion under Standing Order 43 to congratulate the hockey team the Canadiens. In answer the Chair referred to the ruling on the previous motion put by my colleague from St. John's West (Mr. Crosbie). So the reason for the refusal of the motion by the hon. member for St. John's West was that it was not a matter of urgent and pressing necessity. I should like to say that my speech to commend the hockey team the Canadiens was not a motion of pressing and urgent necessity, but I simply wanted to point out an event of national and international interest.

Mr. Speaker, I remember that last year I had presented that same motion. The Chair had agreed to present the motion and hon. members were unanimous in accepting it. Therefore, this is the principle I am dealing with, not because this is a precedent. I recognize that your task is rather difficult, Mr. Speaker, and you deserve all our admiration for what you do. Consequently, following your decision whether you will give me the authority to put the same motion before the House again next Thursday, since I shall be here on Thursday, I shall be pleased to do so or if you decide in favour of the point I am raising, Parliament could perhaps simply send our sincere congratulations to all the players of the hockey team the Canadiens as well as to the coach and management on behalf of our institution. I thank you, Mr. Speaker.

Mr. Speaker: The hon. member can certainly understand the difficulty imposed on the Chair having to decide whether such a motion under Standing Order 43 is in order because when dealing with a motion to congratulate someone, as a winning sports team or, as it occurred before, to mark the anniversary of the funding of a very important town in Ontario, or another success, as proposed by the hon. member for St. John's West (Mr. Crosbie) there is always a difficulty on the urgency of or the need for such a motion. We always have to determine whether we can accept the motion of an hon. member which underlines the importance of an event which occurred in his riding or a motion concerning the success of an organization. Every day we face the difficulty of having to decide whether a motion which should be very precise as far as its national scope is concerned is in order under Standing Order 43. Of course, it is easier and fairer simply to let an hon. member speak for two minutes to enable him to put forward a motion under Standing Order 43 and to justify its importance before the House, without having to take a vote. The Chair must also consider the importance and the urgency of the matter, under Standing Order 43.

ROUTINE PROCEEDINGS

[*English*]

FINANCE

TABLING OF ECONOMIC REVIEW BY DEPARTMENT

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would like to table copies, in both official languages, of the economic review by the Department of Finance, dated May, 1977.

Mr. Speaker: I understand there has been some discussion or consultation about the statement to be made by the Minister of Public Works. It is related to the position not only of some responsibilities of the Department of Public Works but also of the Department of National Revenue in so far as it affects the position of employees resident in Ottawa and working in Quebec, or vice-versa. There might be some disposition to listen to the statements by both the Minister of Public Works and the Minister of National Revenue, comment on them in rotation and then ask questions of both ministers. Is that acceptable?

Some hon. Members: Agreed.

* * *

PUBLIC SERVICE

EQUITABLE DISTRIBUTION OF JOBS BETWEEN OTTAWA AND HULL—INCREASE IN CROWN-OWNED FACILITIES

Hon. Judd Buchanan (Minister of Public Works): Mr. Speaker, since 1969 the government has been implementing a plan for the national capital region with two major objectives: the achievement of a more balanced and equitable distribution of public service jobs between Ottawa and Hull, and an increase in the level of Crown-owned facilities as opposed to leased space. Today I would like to announce recent decisions by the government in both these areas and to take the opportunity to recapitulate and clarify the government's position and expectations with regard to development and space utilization in the national capital region.

Particularly since the government's announced policy of slow growth in the public service as part of its over-all restraint program, there has been some concern shown and fears expressed about the effects of government policies on growth and development in the capital. I hope that I can provide a clear picture of our over-all planning for this area and in so doing allay some of the fears and provide a groundwork for planning by all concerned.

At present, the printing and publishing section of the Department of Supply and Services, as well as the Departments of Consumer and Corporate Affairs, Labour and Environment, are located in Hull. As previously announced, we hope that by the end of the current fiscal year most of the Department of Supply and Services, Canadian International Development Agency, the Department of the Secretary of State, Canadian Radio Telecommunications Commission, and the Department of Indian and Northern Affairs will have moved, or commenced to move, as well. In addition to these relocations, the government has recently decided also to relocate the Solicitor General's department, the Canadian Transport Commission and the Department of Regional Economic Expansion from Ottawa to Hull during this same fiscal year. The Canada Labour Relations Board, Unemployment Insurance Commission, and the Department of Manpower and Immigration are scheduled to move in the 1978-79 period.

The total number of public service jobs involved in these moves is approximately 15,000. With these relocations, the main thrust of the government's relocation policy within the national capital region will have been completed. Except for a number of small units which will be moved to fill up smaller blocks of space in the new buildings, there are no further plans for permanent relocation of government units to office space in Hull for the foreseeable future.

• (1510)

As to the second major objective of the government's national capital region plan, that of increasing the level of Crown-owned facilities as opposed to leased space, there has been considerable revision of our projects for development and construction in light of the government's program of over-all restraint and the related plan for slow growth in the public service over the next few years. I should emphasize that "slow growth" means just that—in the current fiscal year, authorized man-years will be increased by only 0.6 per cent over the 1976-77 level. The continuation of our move toward Crown-owned space and the projected slow growth rate will mean that the government will be returning, on a phased basis, some 4 million square feet of commercially-leased office space to the market over the period to the end of the 1980-81 fiscal year.

Fortunately, the office vacancy rate in the national capital traditionally has been, and is now, substantially lower than in almost any other major Canadian city. Therefore, it appears likely that the building owners, through aggressive application of their entrepreneurial skills, will be able successfully to cope with the admittedly substantial volume of space being released by the federal government.

My departmental officials have been co-operating with the Building Owners and Managers Association—BOMA—to ensure that they have the full, timely information necessary for them to react. Further, we have been informed that the Commercial and Industrial Development Corporation is preparing to mount a vigorous campaign to increase private sector demand for commercial and office accommodation. In addition, the chairman of the National Capital Commission has announced that the NCC intends carefully to study the question of commercial and industrial development with a view to providing whatever assistance it can to encourage greater private sector activity in the national capital. The efforts of these agencies are beginning to show tangible results; recently we were approached by two owners to release space in advance

of our original plan, to permit them to accommodate private sector demands.

One of our main concerns in attempting to alleviate the impact of these necessary inventory adjustments has been for the smaller shop and restaurant owners, which both support the occupants of the buildings we lease and, to some extent, rely upon their trade to stay in business. Accordingly, we are negotiating with the building owners, through BOMA, and with the downtown merchants, in an attempt to arrive at an arrangement which will permit us evenly to spread the effects across our rental inventory. If we are successful in securing the full co-operation of building owners, it should be possible to ensure that no specific area is critically damaged or required to absorb an inequitable share of the burden.

In order further to ease the transition, the government is taking advantage of this period of consolidation to demolish over 2 million square feet of old, inefficient space in temporary or obsolescent buildings throughout the city of Ottawa over the next two years. I should point out that even after these inventory adjustments the government will continue lease or lease-purchase arrangements for 7.7 million square feet of office space in the national capital region: 2.3 million square feet on the Quebec side, and 5.4 million square feet on the Ontario side. Incidentally, some concern has been expressed recently about the impact of income tax deductions on residents of Ontario working in Quebec. This is a concern, of course, not only for federal civil servants residing in Ontario whose departments are relocated in Hull, but also for some employees in the private sector. I am happy to report that my colleague, the Minister of National Revenue, will describe a solution to this problem in a separate announcement.

I am pleased to confirm, also, that the agreement signed in 1975 by representatives of the Outaouais Regional Community Transit Commission, the Ottawa-Carleton Regional Transit Commission and the NCC is currently being reviewed. Negotiations between the parties are expected to lead to a similar agreement providing passengers with a choice of interchangeable services to and from both sides of the Ottawa River, augmented as necessary to meet the demand.

Although the restraint program has restricted Crown construction in the Ottawa area, the government is concerned that the core of the city of Ottawa continue to be vital and thriving. In particular, the government has long favoured the development of the Rideau Centre, a proposed major complex on an 8 1/2-acre tract of federal land on the east side of the Rideau Canal. The development of this area has had wide support and it is felt would make a substantial contribution to the revitalization of the whole Rideau core area. The government will shortly be publicly inviting proposals for development of the centre. The first stage will enable potential developers to express their interest and demonstrate their capacity to undertake such a venture. As originally planned, this centre would feature a major hotel, a major department store and other retail outlets and some 700,000 square feet of office space, much of which would be occupied by the federal government.

In view of the present situation, it has been decided not to include office space in the Rideau Centre development proposal call on federal land. Nevertheless, the government has decided to move ahead with the other aspects of the centre in the belief that this will have a beneficial over-all effect on the Rideau core and will be welcomed by the Ottawa business community.

I hope these comments will help to clarify the government's plans for development in the national capital region in the medium-term future. There is no question that insofar as the federal government is concerned we shall be going through a period of consolidation rather than the fairly rapid growth we have experienced over the past few years. However, over-all there will continue to be some growth in the NCR as a whole and, of course, the municipalities in the area will continue vigorously to pursue alternative courses leading to a more diversified industrial and commercial life for the region.

I am sure hon. members are also interested in the government's plans to move government units from the national capital region to other parts of the country. This is a complex issue, involving a number of difficult assessments and choices. The government has already made some announcements on its plans in this regard but is not in a position to make a comprehensive statement at the present time. It hopes to do so in the next few weeks. I wish to emphasize, however, that there will be no overlap between these moves to Hull and decentralization outside of the national capital, with the minor exception of a few smaller units already announced, involving approximately 450 jobs in all.

[*Translation*]

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, I am pleased to announce that the negotiations undertaken by the Minister of Finance and myself with the province of Quebec have resulted in an agreement which enables us to reduce tax deductions from federal employees residing in Ontario but working in Quebec.

Under the agreement, the Quebec government will reduce income tax for federal employees. For others, including those working for the private sector, government agencies and Crown corporations, the federal government will reduce the federal tax deductions to obtain the same result. I am also pleased to extend that solution to private sector workers in other provinces so as to reduce the additional tax deductions when they reside in a province and work in another.

Under the regulations in effect, Quebec residents working in Ontario may ask their employer to make additional tax deductions. To do so, they must file a tax deduction application. In conclusion I might add that we are now discussing with the Minister of Supply and Services (Mr. Goyer) the application of tax deductions. I hope this regulation will come into effect on or about July 1.

[*English*]

I should like to conclude by thanking all my colleagues from Ottawa who constantly made representations to me in caucus, and I should like, also, to mention particularly hon. members

on the other side of the House, especially the hon. member for Esquimalt-Saanich (Mr. Munro).

● (1520)

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, this is an interesting day in the life of the national capital area. We are now seeing the government attempting to justify, on the backs of the Public Service of Canada, a proposal which was made to develop what I call Fort Fullerton on the other side of the Ottawa river, a decision that was reached without any forethought or consultation whatsoever.

If I may deal with the statement of the Minister of Public Works (Mr. Buchanan), using his language, this is an attempt to justify a decision which was made without any planning or consultation with anyone. I refer to the development of those buildings on the other side of the Ottawa river. The buildings are there; anyone can see them if they look across the river. They stand there at great public expense, and I think it is important that the people of Canada know just how little planning, discussion and consultation went into the decision to put them there.

I am not speaking from lack of knowledge. I am speaking from information that was given to me by the government in an answer to a question which I put on the order paper on November 19, 1976. It is of interest to note that there was so little planning, so little digging and so little to look for that the government was uncharacteristically quick in answering that question on November 22, 1976. The question asked whether a task force on relocation of departments and agencies to Hull has been formed and, if so who are the members, what are the terms of reference, has it begun to function, on what date is a report expected, and will it be tabled in the House or published as a white paper? To that question the answer was no. So some time between November of last year and today's announcement somebody scurried around and found some departments which they could move to Hull. If making an announcement in this way within that short period of time is not an example of lack of co-ordination, then I do not know what is, Mr. Speaker.

As for development of the area itself, I put certain questions on the order paper on November 19. For example, No. 1,141 has never been answered, though it is being partly answered today. I asked in the fourth part of the question:

> What consultation has been undertaken with Hull to determine the best means of maximizing benefits and minimizing harmful effects on the city (b) what consultation has taken place with the city of Ottawa to minimize possible harmful effects on the city?

The minister's statement did not deal with this, which means that there has been no consultation whatever. If the statement of the Minister of Public Works marks a failure in anything—and I say this with regret and without any reprobation of the hon. member himself—it marks a failure in the efforts of the hon. member for Ottawa West (Mr. Francis), the hon. member for Ottawa Centre (Mr. Poulin) and the hon. member for Ottawa-Vanier (Mr. Gauthier), who within their caucus, as it is described by the Minister of National Revenue (Miss Bégin), have tried to persuade the government to use its head and to think about what it is doing.

[Miss Bégin.]

The justification for a ministry of the public service to look after the interest of the public servants of Canada has been put forward time and time again by the hon. member for Ottawa West. In terms of consultation with the corporation of the city of Ottawa, the regional municipality of Ottawa-Carleton and all the municipalities around, on a matter that affects them gravely, the government has admitted today that there has been none whatsoever. This step has been taken to fill buildings on the other side of the river which were constructed without any study at all being made. They are a figment of some bureaucratic mind; they are standing there today and they must be filled. That is the situation we are in in the national capital today. In other words, it is a Ruby Goldberg day in the national capital.

Another matter which concerns me, regarding which members of the House have tried to deal, is the matter of getting co-ordination between the government's plan to decentralize the public service, on the one hand, and relocation of the public service to Hull, on the other hand. This statement, on its face, is an indication that this step has been taken separate and apart from decentralization. Relocation is not considered as part and parcel of decentralization in terms of areas affected. That is an admission of failure. It is dereliction of duty on the part of the government, not simply on the part of the Minister of Public Works who is only the fellow who has to carry the can today. This lack of co-ordination between decentralization and relocation reminds me, quite frankly, of an octopus in heat, and I think it is about time somebody said so.

Have any studies been made of this proposal for the growth and development of the national capital? None whatsoever. How can we believe the well-intentioned Minister of Public Works when he says that only 15,000 public servants will be transferred to Hull? Do you remember, Mr. Speaker, the bilingualism program in this city? It started out first as a policy involving 25,000 people. Then there was a little leak out of the government to the effect that it would be double that and, by golly, the government admitted that 53,000 would be affected. Now we are up to 65,000 positions and there is no indication that that figure is going to be lessened. If the Minister of National Revenue, who is interjecting, will be patient, what I am saying is that the disease of this government is that its figures mean nothing since there are no studies upon which those statistics are based.

Who is going to carry the freight for a policy which has been made without consultation with the city of Ottawa, the regional municipality and the municipalities around? Who but the old entrepreneurial skills of the private sector? The entrepreneurial skills of the private sector in the national capital area in a time of slow growth are going to be tested like they have never been tested before. If there is any meaning to the statement by the chairman of the National Capital Commission with respect to providing some help to develop the private sector and increase employment, then it had better become apparent quickly. There had better be some flesh put on the

skeleton, instead of the pious statement which the minister made to the House today.

I laughed out loud when the minister expressed concern for the small shop and restaurant owners and stated how the government was going to rationalize the position of small shop and restaurant owners in the city of Ottawa who had developed on the basis of one particular scheme of development and who now find the rug pulled out from under them by a government which has about as much co-ordination as the octopus that I have mentioned. I am sure the hon. member for Ottawa Centre and the hon. member for Ottawa West—and I bet that if he were here, the hon. member for Ottawa-Vanier would nod his head, too—have received letter after letter, as I have, from members of the business community in Ottawa asking why they are not being consulted and being told what the government is doing. I suggest it would be uncharacteristic of the government ever to consult. If they will not consult with their own public service unions, and if they will not give advance notice to them of decentralization, how could we ever expect them to consult with such forms of life, in their consideration, as smaller shop and restaurant owners in the national capital area? They even admit in the statement that damage is going to occur. They say on page 3 of the statement that there is going to be something less than critical damage. Well, that is a comfort. They are going to do their best to deal with that. In the statement there is no rationalization of transportation problems.

● (1530)

I am delighted to see the government has announced, for the fifth time—twice in the 1972 election, twice in the 1974 election, and today—that we are going to proceed with the Rideau Centre. That is a wonderful thing. But I want to warn the proponents of the Rideau Centre that, like bilingualism and the designation of bilingual jobs which has escalated, the promise with respect to the Rideau Centre is de-escalating. We were going to start with a big project, and now it is going down and down. I wager there will be a sixth announcement in the future concerning the development of the Rideau Centre in Ottawa.

Referring to the whole business of relocation, I remind the government the only place within the national capital area is in the city of Hull, and the official plans for the townships of Nepean, Goulbourn, Osgoode and Rideau, and the whole aspect of the regional government plan in this area asks for government installations in those areas as part of relocation projects. Why the government continues to place more and more square footage of office space in one area of the national capital, and denies that kind of development to the other areas, I leave that to hon. members to speculate about. That demand is there. That is a demand that ought to be remembered, and not forgotten, as it has been forgotten by this government.

The statement of the Minister of Public Works is a dreadful one for the national capital area. We have come to this point without consultation with the public service unions, the municipalities involved, and without any meaningful plans to assist the private sectors. Lip service is given to that in this statement. This point has been reached without any meaningful plans with respect to transportation, and without settling the matter of sewage treatment on one side of the Ottawa River. Making these announcements is further indication of lack of co-ordination which has afflicted this ministry since 1969.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I would like to make my comments more as a representative from Canada looking at this problem, rather than someone speaking for the municipal council of Ottawa.

An hon. Member: Hear, hear!

Mr. Saltsman: We are dealing with something a little bigger than just what happens in the city of Ottawa. There are a number of things in this statement that I approve of, but there is one thing of which I very much disapprove. It is not so much contained in the statement, as the way the minister has been treating parliament and the committee which was set up to deal with this matter.

I appreciate there is an urgency to deal with these matters. We have a committee set up to study the National Capital Commission. We have some very able people on that committee, and the committee did a great deal of work. It is contemptuous of the minister and the people involved to make this announcement without having convened that committee and discussed the matter with them and made them aware of the situation. There were many different points of view expressed by the people on that committee. I did not agree with every one of them. It is typical of the way parliament and its committees are being treated by the ministry. This behaviour serves very badly a relatively good cause. I am referring to the manner in which the minister has brought this information into the House.

Let me say something about consultation. My hon. friend who preceded me said that the business community of Ottawa should have been consulted. I am sure the business community of Ottawa made known their points of view. If they had been consulted and listened to, there would be nothing in Hull. It is parliament which makes the decisions, not the business community of Ottawa. I should like to talk about the business community of Ottawa and the kind of decisions they have made for this city in the past.

I am delighted the National Capital Commission owns the land which will be the future site of the Rideau Centre. Those 8½ acres will not be built on, if the National Capital Commission has anything to say about it, in a way that will overshadow the parliament buildings. Those acres will not be built on in a way which will allow for the maximum amount of assessment regardless of the consequences to Parliament Hill. Unfortunately, the policy of the city of Ottawa in the past has been virtually to laugh at the attitude of the National Capital Commission in regard to height restriction: the greater the height, the greater the assessment, so let them go as high as they like, not matter what it does to Parliament Hill! That is

what is important about having public lands to prevent this type of thing taking place.

To build in Hull and to move some 15,000 public servants there will create a number of problems. The Minister of National Revenue (Miss Bégin) has taken steps to correct some of those problems. While it deals with some long-standing grievances, it does create new problems. What happens when 15,000 people pour out of Ottawa to work in Hull and return to Ottawa in the evening? Just because they are working in Hull, I do not think they will make their residence in Hull. Perhaps Hull does not want them. Over the years Ottawa has been getting the industrial and commercial assessments in many cases, and Hull has been the bedroom town with all that is involved in terms of a tax base. Some of that is going to be redressed by this move. It is long overdue that we should redress this imbalance.

My hon. friend who spoke on behalf of the Conservative party worries about the fact there has been no planning. He is right. There was probably no planning involved here. It was only Mackenzie King type of planning—if you have a trade-off, you make a deal. If you look at the history of the conflict between the regional municipalities of Ottawa and Hull and the National Capital Commission, you realize that a rare choice has been made here. At some point I would like to question the minister to find out what Mr. Coolican's attitude has been to this kind of trade-off. It is quite apparent that the city of Ottawa was given something they wanted in return for lessening their objections about development in Hull. They have been given the Rideau Centre. It is a typical Canadian compromise, "Here is something for you, so do not get too noisy about what we are doing over there because you stand to gain something as well". There should be a better way of doing it than that, but that is apparently what has been done.

There is a real problem which the minister has not dealt with. I appreciate at this particular time that we are very much concerned about the relationship between the other provinces of Canada and the province of Quebec. It is almost to the point where it is dominating everything we are attempting to do these days. I am sure this real concern will be voiced by those who come from the less developed and less prosperous areas of Canada. Our preoccupation with this problem will lead to neglect in solving the other problems.

● (1540)

In his statement, the minister touched very briefly on the fact that he is going to make some announcement in the future about the decentralization of government agencies into other parts of Canada, but it is not very reassuring for him to come in with this kind of statement, to leave the other matter hanging in the air and to be so vague about what he intends to do about decentralization generally. This can only increase the concern other parts of Canada have as to whether the minister is going to deal as expeditiously with their problems as he is in trying to deal with the more central problem here in Ottawa-Hull. I think it terribly important that perhaps even today the minister should state in unequivocal language that this is not going to be the case, and should reassure other parts of Canada that the much needed assessment of employment in those parts will not be overlooked in view of the concern about the central capital area.

[Mr. Saltsman.]

[*Translation*]

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, while agreeing with my colleague, the hon. member for Grenville-Carleton (Mr. Baker), about the lack of foresight and co-ordination in the transfers announced today, I wish to thank the Minister of National Revenue (Miss Bégin) for her co-operation because she sent me the text of her statement prior to its delivery this afternoon. I thank the minister for her courtesy.

[*English*]

Speaking now of those public servants who today are working in Hull but who are living in Ottawa, I feel it is worth mentioning that it has taken a long time to get the message across the floor—

Mr. Speaker: Order, please. I do not know if there has been some impression created that there would be several rounds of speeches, but the procedure under which we are operating calls for a statement by a minister—in this case statements by two ministers—which I respected. In terms of the time allocation to those who wished to respond, I attempted to guard for those who were responding to those statements the same time which was occupied by the two ministers who spoke. Our Standing Orders then allow a period for questions, but not a period for other statements, responses or speeches to be made. I have recognized the hon. member for Esquimalt-Saanich (Mr. Munro) as the first questioner, if he has any questions to put to the minister.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, it was my understanding that my colleague, the hon. member for Grenville-Carleton (Mr. Baker), was addressing himself to the transfer and the public works aspects of the move, but that I would be addressing myself to the other aspect mentioned by the Minister of National Revenue (Miss Begin). It was to that end that I was making my remarks, and I was certainly keeping myself within the timeframe the minister used in making her remarks, as did my colleague in respect of the timeframe used by the Minister of Public Works (Mr. Buchanan).

Mr. Speaker: If that were the case, it would have been much easier. In fact, hon. members who have spoken until now have used equivalent time to that occupied by both ministers. However, in case there is any confusion—it is a rather extraordinary occurrence—I should reflect in favour of the hon. member and allow him a brief comment, as certainly the statement by the Minister of National Revenue (Miss Begin) was brief. That may, of course, have a restrictive effect on questioning. But in any case, the hon. member for Esquimalt-Saanich may continue.

Mr. Munro (Esquimalt-Saanich): As I was saying, it has taken some time for the message to get across the floor,

because this situation has existed for some time. Here, again, I echo the comments of my colleague about the matter of failure to consult. However, I am really delighted that the minister and her colleague, the Minister of Finance (Mr. Macdonald), have at long last managed to persuade the taxing authorities in the province of Quebec that some sort of accommodation on this tax problem could be made in order to relieve the burden suffered by public servants who, without being consulted and being in danger of losing their jobs if they refused to move, found that their place of work was transferred into a higher tax area.

The formula is a complicated one, at least as it was laid out in the minister's statement, but if I understand it correctly, the formula consists of an undertaking by the provincial authorities in Quebec to reduce the amount of their provincial tax so that the burden of taxation would be no heavier than it was before the move. Nothing, however, is mentioned about retroactivity or the immediate refund, on application, of over deductions which have been made.

What puzzles me is that the provincial authority has undertaken to act in the case of employees in federal departments, whereas the federal government will have to act to reduce the tax deductions on others. I quite understand in the case of the private sector, but not in the case of Crown corporations, government boards and agencies. Does this mean that public servants alone were the target of the Quebec provincial tax collectors, whether those tax collectors were of the former Liberal government or of the current separatist government? This unusual situation requires careful analysis and I reserve the right to come back to the relevant ministers for clarification.

Mr. Speaker: Order, please. I think hon. members ought to be provided a short period of time in which to direct questions to either of the hon. ministers.

Mr. Francis: Mr. Speaker, I have a question for the Minister of Public Works. In his statement he said there will be no overlap between these moves to Hull and decentralization outside the national capital, with the minor exception of a few smaller units already announced involving approximately 450 jobs in all. So that I may understand, does this mean that, in effect, there will be no further moves of positions outside the national capital region—and that includes both sides of the river—until such time as the relocation of government offices to Hull has been completed?

Mr. Buchanan: That is correct, Mr. Speaker. If my memory is correct, I believe the cheque redemption centre of the Department of Supply and Services in Matane, plus the three taxation data centres in Surrey, Shawinigan and St. John's, are the ones which employ the 450 employees to whom I made reference, and that will occur during the same period. Other than that there will be no decentralization prior to the completion of the relocation to Hull. Any further decentralization will be subsequent to that.

Public Service

Mr. Poulin: Mr. Speaker, I have a question for the Minister of Public Works. Just as a preliminary comment, I must say that I am disappointed that this announcement has been made with respect to further relocations to Hull, in view of the fact that last October it was estimated that there was 2.5 million square feet of vacant office space and now we find that 4 million square feet are being returned to the private sector. Will there be additional square feet of presently occupied private sector office space vacated by the federal government when those plans which the minister hopes to be announcing in there weeks with respect to decentralization have taken effect? Will decentralization result in further vacancies of private sector office space in the city of Ottawa?

Mr. Buchanan: Mr. Speaker, I am not quite clear in this regard. The question is similar to the one previously posed. Is the hon. member asking if in the years 1981, 1982, 1983, 1984 and 1985 there will be additional decentralization?

Mr. Poulin: In his statement the minister indicated that some 4 million square feet will be returned to the private sector, and he indicated certain branches, government boards, bureaux and departments which will be relocated in Hull. My question is, will decentralization result in the vacating of additional space to those 4 million square feet referred to?

Mr. Buchanan: No, Mr. Speaker. The vacancies for the small decentralization to which I made reference are included in that figure.

Mr. Saltsman: Mr. Speaker, I would like to ask the minister why he did not reconstitute the joint committee on the national capital and put this proposal to that committee, since it spent so much time examining this very problem.

Mr. Buchanan: Mr. Speaker, part of the problem is that we are simply carrying out this previously announced program, as I mentioned at the beginning. The increase in Crown-owned facilities was announced by one of my predecessors. I believe it was the late Arthur Laing who, back in 1969, indicated that this was the intent of the federal government. In the intervening years difficulties have been created, in particular, excess space which was created by the slowdown in the rate of growth of the public service.

An hon. Member: What?

Mr. Munro (Esquimalt-Saanich): What did you say?

Mr. Buchanan: Otherwise, this is something which would have been absorbed without the creation of the significant vacancy to which my hon. colleagues on this side of the House just made reference. Really, it is simply the logical continuation. The buildings have been very evident: there for all to see. They have been building for many years across the river and this is simply carrying through to completion the undertakings given by the late Arthur Laing in 1969 and 1970 when he made statements about adjusting the balance between the amount of leased space and the amount of Crown-owned space in the national capital region.

Public Service

● (1550)

Mr. Saltsman: Mr. Speaker, has the minister been in touch with the Ottawa regional group, has he explained what he is going to do, and has he had any comment from them on this proposal? In other words, does it meet with the approval of the municipalities in Ottawa and the Ottawa regional group?

Mr. Buchanan: Mr. Speaker, there has been consultation on this at the official level. I have had meetings which involved the mayor of the city of Ottawa, and I was chatting with him concerning this announcement earlier today. We have had several meetings prior to today to lay to rest the incorrect allegations of the hon. member for Grenville-Carleton. There have been ongoing discussions. There obviously has not been great happiness on their part at seeing the quantum of space that we are letting go back to the private sector, but it involves the expiry of our leases on these spaces. There has been some concern about that and about the impact on the city of Ottawa.

We hope that over the timespan involved, a significant portion of this will be absorbed by the private sector. In addition, I understand that certain buildings amongst those we are vacating are comparable to some of our own buildings which are on the list for demolition. We anticipate that these buildings in the private sector will be demolished as well. I would not suggest they are jumping up and down for joy at the results, but on the other hand I think there is acceptance of this as a program that has been in train for several years and that this is the outcome. The intensity or the extent of the vacancy will be severely increased by the diminution of 4, 5 or 6 per cent in the rate of growth in the public service in this area back to something like 0.6 per cent.

During his preliminary remarks the hon. member made reference to the question of decentralization. This deals also with a question from the hon. member for Ottawa Centre. The government's commitment in the medium and longer term to the importance of decentralization remains, but it is our intention that in the short term there will be none while the community goes through—any "additional", I should say—this process of absorbing the fairly significant amounts of space which will be going back to the private sector.

Mr. Speaker: Order, please. Bearing in mind the length of the statements, it would appear to me from those members who have been seeking the floor for some time that the questioning would be equitably distributed by recognizing these other hon. members: the hon. member for Richmond, the hon. member for Esquimalt-Saanich, and the hon. member for Hull. If the hon. member for Winnipeg North Centre, in addition to his colleague the hon. member for Waterloo-Cambridge, seeks to round that out, I would have no objection.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, the minister said a moment ago that he would continue to decentralize government services in the capital or in Hull. I agree with the principle of decentralization, but I am concerned about one thing: the minister said it was very difficult to decide where some government services should be sent. It is very difficult to know where they will be sent. Are these criteria determined in advance and are they available to members of Parliament and the public?

[*English*]

Mr. Buchanan: Mr. Speaker, basically I think one of the policies is to try to decentralize generally to the smaller and slower growth regions of our country, but I am trespassing to a degree on the preserve of two of my colleagues. It is the responsibility of the Minister of Industry, Trade and Commerce to deal with decentralization in the first phase, and then it will revert to the President of the Treasury Board. This question would be more appropriately addressed to either of those ministers.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, could the minister tell us whether he will inform hon. members on which basic criteria he bases himself to diversify or move one portion of the services provided by a department in a given sector, so that they can be better informed?

[*English*]

Mr. Buchanan: I will be happy to draw the comments and representations of the hon. member to the attention of my colleagues.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I am tempted to ask the minister about the annual rate of growth of the public service, from 186,000 in 1961, to 320,000 now. It has almost doubled in 15 years. However, since I was commenting on the remarks of the Minister of National Revenue—

[*Translation*]

I wonder if she could explain the second paragraph of the statement, particularly the distinction between civil servants of federal departments and other employees, and between the provincial responsibility regarding tax reductions on one hand and, on the other the federal responsibility regarding deductions at source?

Miss Bégin: Mr. Speaker, I understood the allusion of my colleague from the opposition when he welcomed in a much more positive way this agreement with Quebec.

This agreement is the result of negotiations. I think that the whole House will welcome the result for all the employees living in one province and working in another, particularly for Ontarians working in Quebec, whether they work in the private sector, the public sector or else for Crown agencies or for the public service. The net result is the same for everyone and those persons will not be taxed according to the present legislation, that is depending on the province where they work, but according to the amount of taxes they should be paying after one year.

I feel that one should not expect more from negotiations than what is universally hoped for. In an agreement concerning civil servants, we have obtained that the minimum cost of

energy and administrative changes be assumed by Quebec. We have decided to assume the other part of responsibilities, namely, those concerning Crown corporations.

Moreover, the hon. member mentioned retroactive pay and reimbursement. I feel that there is no question of that. We are now in the second half of May. We have just signed this agreement which hopefully will become operative on July 1. Unfortunately, there will be no retroactive pay for the past six months. This is the lesser of two evils, a price we had to pay to reach a settlement which will benefit everyone in future years.

Mr. Munro (Esquimalt-Saanich): What about the previous years?

Miss Bégin: They already are entitled to a reimbursement for the previous years.

Mr. Gaston Isabelle (Hull): Mr. Speaker, I have two questions I would like to ask the Minister of Public Works whom I thank for his announcement since, as you know, we have waited since 1917 for some of the manna that was pouring over Ottawa, the official capital of Canada. I think that Hull has been recognized since 1922 as part of the national capital area. Even the Tory government, which preceded the Liberal government, did recognize that legislation in 1958.

As for the other hon. members from the area who are getting impatient, I would ask them to be as patient as we have been on the Hull side. My first question, since reference was made to consultation, Mr. Speaker, is the following: Is it not true that the major consultations took place at the Confederation of Tomorrow conference in Toronto in 1969? I am wondering if the wishes expressed at that conference were not that the national capital area should be officially recognized as the capital of Canada. So, has there been some consultation in that regard?

Following the answer to that question, I would like to direct another question to the minister, Mr. Speaker. Does the minister intend to make his cabinet colleagues aware of the need to amend section 16 of the Constitution so that the capital of Canada be at last the national capital area, and that we do away with those useless, pointless, fanatical and sectarian complications we are always running into when something is going on in Hull while basically it should be in Ottawa, since we all live in the national capital area. So I wonder if the minister will make his colleagues aware of that.

● (1600)

[*English*]

Mr. Buchanan: Mr. Speaker, as I said earlier, I understand there has been considerable consultation over a period of years relating to this matter with which I am not as familiar as the hon. member, his length of service in this House being longer than mine. He is familiar with the source of the plan and when it was decided to put it into effect. I am certain that his suggestion that the plan flowed from the Conference of Tomorrow is correct. As for his representation concerning article 16, I will be happy to draw it to the attention of my colleagues.

Mr. Baker (Grenville-Carleton): Mr. Speaker, answering the hon. member for Waterloo-Cambridge, the minister said that the buildings were erected with this philosophy: If the buildings are built, we will fill them. In other words, it was suggested that the public service would grow. At some stage the government must have changed this plan. In order that members may assess better studies and consultations carried on with respect to changes in plans, the curtailment of growth of the public service and its requirements for buildings, would the minister table those documents which preceded the decision which the minister says was made in 1969 by the late Hon. Arthur Laing? Also, would he table the studies which could help us to follow the course the government intends to follow during and after 1977? That is my first question.

Second, is the minister in a position to indicate what the situation is with respect to the holidays of public servants who live in Ontario but work in Hull? Are public servants who live in Ontario and work in Hull to celebrate the holidays of the province of Quebec, or those of the province of Ontario?

Mr. Knowles (Winnipeg North Centre): Or both?

Mr. Baker (Grenville-Carleton): Or both? Are they to be given the option of expressing a preference?

Mr. Buchanan: Mr. Speaker, if I may answer the hon. member's questions in reverse order, I will check with my colleague, the President of the Treasury Board, as to what the treatment will be with respect to holidays of those who work in Quebec but live in Ontario. The hon. member for Esquimalt-Saanich raised the question of growth in the public service. Significant diminution of the rate of growth in the public service has only taken place since the 1975-76 fiscal year. That diminution in growth continued in the 1976-77 and the 1977-78 fiscal years.

Frankly, if we had continued with rates of growth in effect as late as 1974-75, the buildings we erected would in large measure have been occupied by the increasing numbers of public servants.

I can remember, as a new cabinet member, expressing my horror at seeing some figures regarding the rate of growth and the amount of space which would be required. I saw these figures late in 1974 and stated, "I guess you are saying that every three years we are going to require the equivalent of two Place Bell Canada's simply to accommodate growth." The response to that question was "Yes." A major factor which has altered the situation is the dramatic cut which has occurred in the rate of growth of the public service. As soon as I became Minister of Public Works and was made aware of the results which would flow from curtailing this growth, I raised the possibility of stopping, or mothballing projects already started, such as Terrace de la Chaudière, phase 4 across the river in Hull, and 240 Sparks Street.

Mr. Paproski: You will take these projects out of mothballs next year, just in time for the election.

Mr. Buchanan: However, each and everyone of these structures was at the point where it was neither reasonable nor practicable to stop construction.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a short question to the Minister of Public Works. I am sure he knows that some of us feel it is a crying shame that the view of the Peace Tower has been blocked in so many directions. Since I can still see it from my room in Parkwood Hills, six miles away, I say woe betide the developer who puts a high-rise building between my window and the Peace Tower. Is the Minister of Public Works prepared to do all he can to preserve the view of the parliament buildings and of the Peace Tower and to prevent the obliteration of that view from other directions?

Mr. Buchanan: Yes, Mr. Speaker, I am happy to give that assurance to the hon. member. I, too, stand on my balcony and admire the view of the Peace Tower from three or four miles away. We both share that pleasure. I want the hon. member to continue to enjoy it.

Mr. Friesen: The minister has only to stand on tiptoe and he can see the tower from anywhere in Ottawa.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the following questions will be answered today: 514, 1476, 1847, 1850, 1913, 1933, 2017, 2034, 2184, 2236, 2266, 2269, 2281, 2318 and 2360.

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

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Text*]

CRIMINALS OUT ON TEMPORARY ABSENCES

Question No. 514—**Mr. Reynolds:**

1. How many (a) dangerous sexual offenders (b) habitual criminals have been out on temporary absences in the past eighteen months?

2. How many guns have been found inside penitentiaries in the (a) past eighteen months (b) previous ten years?

Hon. Francis Fox (Solicitor General): 1. For the period January 1, 1975 to October 31, 1976: (a) 21; (b) 49.

2. (a) For the period April 14, 1975 to October 14, 1976, seven; (b) For the period October 14, 1966 to October 14, 1976, 21.

RIOTS IN DORCHESTER PENITENTIARY

Question No. 1,476—**Mr. Howie:**

1. For the year 1976, how many riots or similar disturbances took place in Dorchester Penitentiary in New Brunswick and on what date did they occur?

2. What was the (a) property damage incurred (b) extent of bodily injury among (i) inmates (ii) prison personnel?

Hon. Francis Fox (Solicitor General): 1. Eleven.

2.

Date	Incident	Property Damage	Staff Injury	Inmate Injury
February 5, 1976	Main dome—fire fighting equipment damaged	$ 285.	Nil	Nil
March 25, 1976	Fire in inmate cell—deliberately set	$ 125.	Nil	Nil
May 4, 1976	Fire in dissociation cell—deliberately set	$ 32.	Nil	Nil
June 30, 1976	Fire in segregation cell—deliberately set	$ 35.	Nil	Nil
August 9, 1976	One inmate destroyed the upholstery shop and assaulted three instructors	$3,500.	Minor	Nil
August 13, 1976	Food sabotages in kitchen	$ 740.	Nil	Nil
October 27, 1976	Fight in school—two inmates assaulted three other inmates	Nil	Nil	Minor
October 27 to 28, 1976	Hostage-taking incident D-1 segregation	Nil	Nil	Minor
November 7, 1976	Hostage-taking incident in hospital	Nil	Nil	Nil
November 18, 1976	Fire in canvas shop	$ 100.	Nil	Nil
November 22, 1976	One sewing machine smashed in the canvas shop	$ 110.	Nil	Nil

AMARANTH, RED DYE NO. 2

Question No. 1,847—**Mr. Yewchuk:**

By category and brand, to which prepared foods on sale in Canada is it permitted for a manufacturer to add Amaranth (Red Dye No. 2)?

[Mr. Buchanan.]

Hon. Marc Lalonde (Minister of National Health and Welfare): Amaranth may be added to the following categories of foods: (1) Apple, or rhubarb, and (naming the fruit) jam; bread; butter; cheese; chocolate drink; concentrated fruit juice; (naming the flavour) dairy drink; fig marmalade with pectin;

ice cream mix; ice milk mix; icing sugar; (naming the fruit) jam with pectin; (naming the fruit) jelly with pectin; liqueurs and alcoholic cordials; (naming the flavour) milk; pickles and relishes; pineapple marmalade with pectin; sherbet; smoked fish, lobster paste and fish roe (caviar); tomato catsup. (2) Unstandardized foods such as gelatin desserts, gravy mixes; cake mixes. The Food and Drug Regulations do not require manufacturers of food products to inform the Health Protection Branch of the presence of this colour in their products.

TARTRAZINE, YELLOW NO. 5

Question No. 1,850—**Mr. Yewchuk:**

By category and brand, to which prepared foods on sale in Canada is it permitted for a manufacturer to add Tartrazine (Yellow No. 5)?

Hon. Marc Lalonde (Minister of National Health and Welfare): Tartrazine is permitted to be added to the following categories of foods: (1) Apple, or rhubarb, and (naming the fruit) jam; bread; butter; cheese; chocolate drink; concentrated fruit juice: (naming the flavour) dairy drink; fig marmalade with pectin; ice cream mix; ice milk mix; icing sugar; (naming the fruit) jam with pectin; (naming the fruit) jelly with pectin; liqueurs and alcoholic cordials; (naming the flavour) milk; pickles and relishes; pineapple marmalade with pectin, sherbet; smoked fish, lobster paste and fish roe (caviar); tomato catsup. (2) Unstandardized foods such as gelatin desserts, gravy mixes, cake mixes. The Food and Drug Regulations do not require manufacturers of food products to inform the Health Protection Branch of the presence of this colour in their products.

GRANTS UNDER INDIAN AND ESKIMO PROGRAMME

Question No. 1,913—**Mr. Laprise:**

For the fiscal year (a) 1974-75 (b) 1975-76, has the Department of Indian Affairs and Northern Development made any grants under the Indian and Eskimo Affairs Programme to natives who have (i) signed (ii) not signed the James Bay Agreement and, if so, in each case, in what amount?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): (a)(i) Nil; (ii) Nil. (b)(i) Nil; (ii) Nil.

HANSEN'S DISEASE

Question No. 1,933—**Mr. Epp:**

1. What was the number of immigrants coming into Canada with Hansen's disease (Leprosy) in (a) 1970 (b) 1971 (c) 1972 (d) 1973 (e) 1974 (f) 1975 (g) 1976 and, in each case (i) what number were illegal immigrants (ii) what was the respective country of origin?

2. What number of Canadians, in the past five years, have returned to Canada with confirmed cases of Hansen's disease?

3. Is the "Scratch Test" given to all members of a family of immigrants after it is determined that a member of that family has Hansen's disease?

4. How soon after their arrival in Canada do immigrants have access to "compulsory medical benefits" if they have an illness such as Hansen's disease?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. No immigrants have been admitted advertently into Canada with a documented diagnosis of Leprosy, between 1970 and 1976. Applicants are examined and entry is refused if Leprosy is diagnosed. There is no record available of the health status of illegal immigrants.

2. The federal government has no readily available information on the number of Canadians who have returned to Canada with a documented diagnosis of Hansen's Disease. Requests for such information should be directed to provincial health authorities.

3. Lepromin intradermal test (MITSUDA) has no diagnostic value and is only useful in classifying the disease between the two distinct major clinical types: lepromatous and tuberculoid.

4. In general, new residents to a province can obtain medical care benefits on the first day of the third month from the date on which residence is assumed in that province. However, all provinces provide first day coverage on arrival to bona fide residents who have no immediate opportunity to acquire coverage, whether they are affected by Hansen's or any other disease. This applies to the following groups in all provinces except British Columbia, where it applies to new residents in group (a) only: (a) newborns, non-Canadian spouses (of Canadian residents) assuming residence in Canada for the first time, members of the Canadian Armed Forces and the R.C.M.P., and prisoners. (b) Landed immigrants, repatriated and returning Canadians.

RCMP PERSONNEL RECEIVING PENSIONS

Question No. 2,017—**Mr. Knowles (Winnipeg North Centre):**

1. How many retired Royal Canadian Mounted Police personnel are receiving pensions, including their basic pensions and any supplement or supplements added thereto, of amounts within each of the following brackets (a) less than $20.00 per month (b) $20.00 to $29.99 per month (c) $30.00 to $39.99 per month (d) $40.00 to $49.99 per month (e) $50.00 to $59.99 per month (f) $60.00 to $69.99 per month (g) $70.00 to $79.99 per month (h) $80.00 to $89.99 per month (i) $90.00 to $99.99 per month (j) $100.00 to $149.99 per month (k) $150.00 to $199.99 per month (l) $200.00 to $249.99 per month (m) $250.00 to $299.99 per month (n) $300.00 to $399.99 per month (o) $400.00 per month and over?

2. How many widows of RCMP personnel or of retired RCMP personnel are receiving pensions, including their basic pensions and any supplement or supplements added thereto, of amounts within each of the brackets indicated in the above question?

3. What is the number of retired RCMP personnel and also the number of widows of RCMP personnel or of retired RCMP personnel presently residing in each province?

4. In respect of how many orphans of RCMP personnel are pensions being paid and what is the average amount thereof?

Hon. Francis Fox (Solicitor General): 1 and 2.

	Amount	Retired Members	Widows
(a)	Less than $ 20.00 per month	5	1
(b)	$ 20.00 to $ 29.99 per month	8	5
(c)	$ 30.00 to $ 39.99 per month	59	6
(d)	$ 40.00 to $ 49.99 per month	18	7
(e)	$ 50.00 to $ 59.99 per month	25	7
(f)	$ 60.00 to $ 69.99 per month	46	7
(g)	$ 70.00 to $ 79.99 per month	21	6
(h)	$ 80.00 to $ 89.99 per month	34	17

	Amount	Retired Members	Widows
(i)	$ 90.00 to $ 99.99 per month	12	6
(j)	$100.00 to $149.99 per month	132	57
(k)	$150.00 to $199.99 per month	183	53
(l)	$200.00 to $249.99 per month	251	44
(m)	$250.00 to $299.99 per month	292	42
(n)	$300.00 to $399.99 per month	560	61
(o)	$400 or over per month	1,792	63

3.	Province	Retired Members	Widows
	Newfoundland	59	7
	Prince Edward Island	19	3
	Nova Scotia	259	22
	New Brunswick	139	9
	Quebec	232	23
	Ontario	741	88
	Manitoba	163	20
	Saskatchewan	180	20
	Alberta	516	49
	British Columbia	1,031	130
	Yukon	13	1
	Northwest Territories	29	3
	Outside Canada	57	7
	Total	3,438	382

4. One hundred and eighty-three; $58.39.

BEEF CONSUMED IN PENITENTIARIES

Question No. 2,034—**Mr. Ellis:**

Is the beef consumed in penitentiaries (a) Canadian (b) imported?

Hon. Francis Fox (Solicitor General): The purchases of beef for the Canadian Penitentiary Service are made by Supply and Services Canada to Canadian Government Specification 32-GP-44c, Type 1, Grade B, which permits only Canadian beef.

CBC—CAPTIONS TO NEWS FOR CANADIANS WITH HEARING DEFICIENCIES

Question No. 2,184—**Mr. Fairweather:**

1. Has CBC considered adding captions to the news, public affairs and other programmes in order that Canadians with hearing deficiencies might enjoy such programmes?

2. (a) What would be the cost of adding such captions to the National News (b) would the cost be comparable for public affairs and entertainment programmes?

Hon. John Roberts (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Yes, but the suggestion has not been implemented because of potential distraction and annoyance to the majority of viewers and the consequent loss of audience, and the time required to make captions for news programs that are often changed as they are broadcast in different time zones, as well as the costs involved.

2. (a) No firm costs are available, but the capital cost would be approximately $50,000 for a character generator, and operating costs would be approximately $150,000 a year. (b) There would be no extra capital cost but the operating costs would be increased.

[Mr. Fox.]

CBC DOCUMENTARY SERIES "CARCAJOU ET LE PÉRIL BLANC"

Question No. 2,236—**Mr. Laprise:**

With reference to the documentary series *Carcajou et le péril blanc* prepared by and shown on Radio-Canada (a) who paid for the study (b) how many programmes does the series comprise (c) have any programmes been censured and, if so (i) how many (ii) by whom (iii) for what reason?

Hon. John Roberts (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: (a) The CBC did not pay for the study for the series "Carcajou et le péril blanc", shown on its French TV network. This project was submitted to the Corporation by les Ateliers Audiovisuels of Montreal, and the study was made by Rémi Savard, ethnologist, and Arthur Lamothe, film-maker. (b) Seven one hour episodes. (c) The CBC had an option on an eighth episode, which it did not take up, because it did not conform to CBC program policies. This last documentary dealt with a complex issue that is controversial and did not offer the diversity of points of view or the further opinions and evidence which such a subject calls for.

NATIONAL DEFENCE—EQUIPMENT, PERSONAL ARMOUR

Question No. 2,266—**Mr. McKinnon:**

Is the Department of National Defence buying $198,242 worth of personal armour and, if so (a) in what quantity (b) under which of the four roles of the forces is it expected that the armour will be used?

Hon. Barney Danson (Minister of National Defence): Yes. (a) 22 personal armour Explosive Ordnance Disposal Suits are being purchased. (b) The equipment is required to provide protection to Canadian Forces personnel involved in neutralization of homemade bombs and explosives devices. The armour will be used under the role of surveillance and protection of Canada's sovereign territory and specifically to provide aid to civil law enforcement agencies on request.

FEDERAL PENAL INSTITUTIONS

Question No. 2,269—**Mr. Patterson:**

Which five constituencies contain the greatest number of federal penal institutions and, how many are in each constituency?

Hon. Francis Fox (Solicitor General): Kingston and the Islands, Ontario, 6 institutions; Duvernay, Québec, 5 institutions; Fraser Valley-East, British Columbia, 4 institutions; Hastings-Frontenac, Ontario, 4 institutions; Terrebonne, Québec, 3 institutions.

NATIONAL DEFENCE—EQUIPMENT, HANDCUFFS

Question No. 2,281—**Mr. McKinnon:**

Has the Department of National Defence ordered handcuffs from William Scully Limited and, if so (a) is the value of the order $12,499 (b) how many pairs are being purchased (c) what stocks of handcuffs are currently held by the Department of National Defence (d) for what reason is it necessary to add to the stocks currently held?

Hon. Barney Danson (Minister of National Defence): Yes, through the Department of Supply and Services. (a) Yes. (b) 915 pairs. (c) 1,585 pairs in use, seven in stock. (d) To bring stocks to the approved level and to meet maintenance needs for a 27 month period.

CBC—PART-TIME AND FREE-LANCE PERSONNEL

Question No. 2,318—**Mr. O'Sullivan:**

1. What have been the total amounts spent by CBC on fees for services rendered by (a) part-time employees (b) free-lance personnel in the years (i) 1974-75 (ii) 1975-76 (iii) 1976-77?

2. What is the estimated total cost of such services for the fiscal year ending March 31, 1978?

3. What amount, each year, was paid to persons not resident in Canada?

Hon. John Roberts (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1.

		($000's)		
		1974-75	1975-76	1976-77
	(a)	4,823	6,828	7,646
	(b)	30,366	37,164	39,025
2.	Part-time	$ 8,300,000		
	Free-lance	$42,500,000		
3.		($000's)		
		1974-75	1975-76	1976-77
		530	711	796

NOTE: 1976-77 amounts are estimated on the basis of known results for 11 months to February 28, 1977.

CBC—CLAIM OF JOHN TURNER AGAINST CORPORATION

Question No. 2,360—**Mr. McKenzie:**

1. Was a statement of claim filed on Monday, July 21, 1975 in the Ontario Supreme Court, Toronto, Ontario by Mr. John Turner against the Canadian Broadcasting Corporation seeking $100,000 in damages plus legal costs and, if so, has a settlement been reached?

2. If a settlement has been reached (a) was it in or out of the Supreme Court of Ontario (b) what were its terms (c) on what date did it take place?

Hon. John Roberts (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. A Statement of Claim and Writ were served on July 14, 1975. A settlement has been reached.

2. (a) Out of court. (b) A broadcast apology on three radio broadcasts on July 2, 1976; payment of costs by CBC; Mr. Turner discontinued the Ontario legal action as well as two other actions commenced in the Federal Court of Canada and the Supreme Court of Nova Scotia. (c) The terms of settlement were agreed to on June 30, 1976.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

CUSTOMS TARIFF (NO. 2)

Hon. Donald S. Macdonald (Minister of Finance) moved that Bill C-55, to amend the Customs Tariff (No. 2), be read the second time and referred to committee of the whole.

He said: Mr. Speaker, the purpose of this bill is to give effect to the amendments to the Customs Tariff which were proposed in the budget of March 31, 1977. The amendments fall into three broad categories: first, those required to continue in force for another year the temporary tariff reductions which would otherwise have expired on June 30, 1977; second, those designed to implement certain concessions for products of interest to the developing countries which we have agreed to make in the context of the discussions in Geneva on multilateral trade negotiations; and third, a number of miscellaneous amendments, including the withdrawal of the British preferential tariff rate on certain machinery imported from Britain and Ireland.

First let me deal with the question of temporary reductions. The principal provisions of the bill, in clause 3 and schedule II, provide for the extension until June 30, 1978, of a large number of temporary tariff reductions on consumer goods which were originally introduced as an anti-inflation measure in the budget of February 19, 1973. The value of imports affected is about $1.4 billion in terms of 1976 trade. About $400 million of this is in the food sector. Other products covered by the package include drugs and pharmaceuticals, kitchen and dinnerware, hand tools, photographic equipment and sporting goods.

● (1610)

The coverage of the package as of July 1, 1977, will differ in three respects from that now in effect. First, the reduced rates of duty on lighting fixtures are being allowed to expire on June 30 because of the difficulties domestic manufacturers have had in competing against imports. Second, the duty on refined sugar is being increased by one-fifth of a cent per pound to provide refiners with the net amount of protection recommended by the Tariff Board when it reviewed the tariffs on sugar several years ago. I should point out, however, that the new rates of duty on refined sugar are still below those which were in effect prior to the 1973 budget. All we are doing is restoring them to the levels which were in effect between February, 1973, and November, 1974. Third, tariff reductions on several tropical products which were previously part of the temporary measure are being continued in force on a permanent basis pursuant to the provisions in the bill relating to concessions for developing countries.

With respect to concessions to developing countries, the second category, the proposed tariff reductions on products of special interest to developing countries have been discussed with these countries in the "tropical products group" which

was set up in the framework of the multilateral trade negotiations. This group was established to see if something could be done on a priority basis, before the end of the negotiations as a whole, to improve the export earnings and balance of trade of the developing countries.

The Canadian concessions are of two kinds. First, we have added a number of products to the list of goods that are eligible for the general preferential tariff, which applies only to imports from developing countries. Second, we have also reduced or removed the permanent most favoured nation tariff on a number of "tropical products" which are produced mainly in developing countries. The concessions which are being implemented through changes in the general preferential tariff are provided for in clause 2 and schedule I of the bill, while those being implemented on a most favoured nation basis are provided for in clause 4 and schedule III. These proposed changes will affect about $100 million of imports from developing countries.

The third category, as I indicated, is with regard to some miscellaneous tariff charges. As I have indicated, the most important amendment in the miscellaneous group—clauses 5 and 6 and schedules IV and V—is the proposal to make certain machinery and related equipment from Britain and Ireland subject to the 15 per cent most favoured nation rate rather than the 2½ per cent British preferential rate. This amendment flows from the study of the tariffs on machinery from Britain and Ireland which I announced in the budget of 1976.

This study was initiated as a result of representations from Canadian manufacturers that imports of British machinery at the preferential rate were adversely affecting production in Canada. Canada, of course, is no longer required to accord preferential tariff treatment to imports from Britain and Ireland since they withdrew preferences on our exports when they joined the European Economic Community.

On the basis of our review to date, we concluded that the Canadian manufacturers of the nine categories of machinery which are being added to the provisions of tariff item 42701-1 had made a case for withdrawal of the preferential rate at this time. When machinery in these categories is not available from Canadian sources, the duty can be remitted under the machinery program. The Department of Finance will continue to monitor the situation with respect to imports of other kinds of machinery from Britain and Ireland. The bill also provides authority for an increase of 2½ percentage points in the duties on polypropylene resin and on certain products made from this resin. Canadian production of the resin will come onstream in the near future.

The schedule of miscellaneous amendments also provides for continuation of duty-free entry on a temporary basis for various petroleum products and for aircraft. Other amendments are designed to resolve certain problems which have come to light. A number of these are of a relieving nature; for example, the provisions which will accord free entry to cameras and other equipment for the production of films. On the other hand, the $7,500 value limit on individual articles which may be brought back by Canadians duty and tax free after a period of residence abroad is designed to prevent abuse of existing duty and tax free provisions.

That, Mr. Speaker, is a general review of the items involved. In committee of the whole I will, of course, be glad to deal with any specific questions.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this is one of the non-items arising out of a very bland budget. We received some amendments to Customs Tariffs in the past which were really much more noticeable or had a much higher profile from a policy point of view. For example, in schedule II there is an extension of two years of a three-year program of tropical fruits and certain things. I was very struck by the first item in 705-2, the admission of frogs legs free into Canada.

It may be that some people consider that a Customs Tariff is a very dry-bones subject and has no humour in it. I do not want to take too much time on this particular bill. I have already mentioned frogs legs in schedule I on page 5. The same schedule, on page 6, refers to fruits, dried, desiccated, evaporated or dehydrated; namely, breadfruit, guavas, litchis, mangoes, mangosteens, pineapples and soursop. What is soursop? I am sure even the minister does not know that one. Item 10525-5 takes you through mangosteens, soursop and mangoes, including mango chutney, which is a particular delicacy for my colleague, the hon. member for South Shore (Mr. Crouse). He really loves mango chutney and will be quite happy with that.

On these particular points I would like to know from the minister if, as a result of the three years special tariff on these tropical fruits and part of the extension of freedom of the Canadian market to developing countries outside of the general preferential tariff, there has been any movement of goods into the country. Do items such as these, where we now have free entry, mean anything? Is there a meaningful movement into the country—of a particularly sophisticated kind, I will admit—of such items as 13300-2, caviar being prepared from sturgeon roe, being admitted free? There are others.

One I find most intriguing is item 52306-1, page 8, schedule I. I wonder why this particular item is now being admitted free. This has to with industrial shop towels, hemmed but not bleached or dyed except for identification markings. It lists the various sizes. Are there not, within the Canadian textile industry, ample facilities to produce these industrial shop towels at a price where foreign imports could not be used to drive down prices, that is, costs in the industrial field; or is it in response to representations from any particular country or countries that this is something they would like to sell us in reasonable quantities in exchange for their purchase of other Canadian goods? I think we should have an explanation.

I do not want to belabour this bill. A good deal was said about the principles of it as we debated the tax changes and tariff changes during the budget debate. Several of my colleagues are going to question certain parts as their particular areas may be most severely affected by some of these proposals. I was a little surprised that the minister did not speak

about what he felt was the progress on the present GATT talks at Geneva out of the Tokyo round. I was disappointed he did not tell us what progress the government had made in responding to the serious representations made by members on this side of the House as well as by some of the provincial premiers whose full intention it is to insist upon consultation with the provinces with respect to tariff changes. It seems to me that not only do they have a point, but that they have an indisputable case. There is no question but that the premiers have full jurisdiction with regard to development within their own provinces, and unilateral action on the part of the government of Canada in the course of these negotiations, without disclosing what is being acquired and what is being given away, is simply not good enough. A province might very well find that its industrial policy had been thoroughly undermined.

● (1620)

I have mentioned before the implementation of certain features of the Kennedy round having to do with the heavy chemical producing industry across the country. That industry was hard pressed, to start with, as a result of the Kennedy round negotiations. Indeed, it seemed to me that in many instances the concessions made in the field of industrial chemicals were regarded as among the throw-away items. The changes which were to be implemented were to be placed on a five-year basis. But less than two years after the conclusion of the Kennedy round the then minister of finance, Mr. Benson, suddenly telescoped all the remaining reductions into one year. The result was, of course, disastrous for the chemical industry.

I, for one, and my colleagues from Alberta as well, will be very reluctant to accept any concessions made at the GATT negotiations which will further seriously affect the developing industrial chemical industry in Alberta. I suppose that in toto it is the biggest such complex in the country. The problems it faces are already tough enough, in the face of world competition. There is the distance from markets, for example. A considerable element of transportation cost is involved before getting to offshore.

The situation is tough. These firms are finding it hard to meet competition in the domestic market on the basis that a world-scale plant produces 8 per cent to 10 per cent, so perhaps a little more of that plant's capacity will satisfy the Canadian market. So I want to know, as do my colleagues, to what degree is there consultation? By this I mean active consultation, not a telephone call the night before a decision is taken. I mean actual participation on the negotiating teams of representatives of industry and the provincial governments.

In this respect I think we should seek to emulate our United States counterparts who, incidentally, are very successful in these tariff negotiations. They take their people into their confidence and are quite open about what they want to do. Somehow or other, we seem to believe in playing our cards very close to the vest; we think everything ought to be kept under the shell, obliging our own people to guess where the pea is hidden.

I see the minister making notes in readiness to reply. Several of my hon. friends have brief comments to make. We do not believe there should be a very extensive debate over this bill, and if the minister is forthcoming in his answers I do not doubt we shall make good progress with this measure. Subject to my commitments on the estimates committee which is dealing with the Department of National Revenue this evening, I hope we can progress rapidly in dealing with Bill C-54.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise simply to say that we are quite prepared to have the bill go into committee of the whole forthwith.

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I welcome the opportunity to debate this bill. We very seldom have an opportunity to talk in this House on the important subject of Customs Tariffs, but it is a very important subject to Canadian industry. This is an opportunity which usually comes to us after a budget. We get these changes in Customs Tariffs usually involving the lowering of tariffs or else keeping the status quo. Very seldom, if ever, are any of the tariffs raised in the rush by the government to get into a free trade situation as quickly as possible.

Today, many segments of industry in Canada are facing hard times. I think particularly of small manufacturing businesses and related enterprises. I think, for example, of firms manufacturing recreational vehicles, motor homes and mobile homes. Times are hard for the boat manufacturers, the electronics industry, the textile industry and the shoe manufacturing industry. Only recently we were hearing noises from the manufacturers of parts for automobiles. Then, as always, there is the case of farm products. These industries are finding it increasingly hard to compete with imports, and the tariff structure, or lack of it, is one factor which makes it difficult for them to do so.

The manufacture of recreational vehicles and mobile homes is quite extensive in my riding. It is important to large numbers of my constituents. Representations have been made to the minister over the past few months with regard to the tariff imposed on the component parts used in the manufacture of these vehicles. The tariff was lowered to 15 per cent a few years ago, but the charge on most of the parts which are not manufactured in Canada and would have to be imported is between 17½ per cent and 20 per cent. This means that if a recreational vehicle is manufactured in the United States, for instance, and shipped into Canada, the component parts in that vehicle are charged at only 15 per cent. However, if a manufacturer in Canada goes to the United States and buys the parts there, he is obliged to pay between 17½ per cent and 20 per cent, which is really not fair trade. It makes it difficult for the Canadian manufacturer to compete. The whole tariff field is complex and difficult to understand.

● (1630)

Quite often when tariff changes are made there is a chain of reaction against manufacturers or industry in Canada. Unfortunately, manufacturers of recreational homes are considering

moving from Canada to the United States, as are other industries today. This is a situation we should not allow to happen. There is very high unemployment in Canada and we are looking for ways and means of employing people, yet the situation is such that industries are caused to move from Canada because it is more profitable for them to export their products back to Canada from some other country.

We cannot have it both ways, Mr. Speaker. If we are to do something to assist major industry and business in Canada, we must take a good, hard look at the situation and make sure that we do not inhibit manufacturers from producing their goods in Canada. We need employment. We cannot export people along with our manufacturers, yet we make it very easy for manufacturers simply to pick up and move out, make a profit in another country and send their products back here.

The electronics industry is in the same situation today as textiles and farm products. Although this is not the entire fault of tariffs, quite a lot of the blame is. Most of the problem has to do with trade and trading and bringing imports into Canada, and this is where the tariff structure comes in. People in the electronics industry talk about fair trade, just as do the people who produce farm products, and they see very many areas where we do not have fair trade. Our exports have to meet trade barriers, while we make it very easy to import into Canada.

Let me now come to my favourite topic, farm products. Bill C-55 deals with many farm products and continues temporary tariff reductions which were made previously. These reductions apply to products such as asparagus, beets, carrots and tomato juice—products that we should encourage Canadians to grow. Quite a few people in Canada argue that if we can get these products cheaper somewhere else, then let us import them and not worry about the Canadian farmer. But that is not the way to build this nation; we cannot build the nation with that kind of philosophy.

These same people are telling us to make sure that we do not pave any more farmland. I agree with them, because in time we are going to need all the farmland we can get. That is why we must ensure that our farmers get the chance to make a decent living. I have quite often heard Liberal governments say we should stabilize farming, that we should have stabilization programs, but in the long run I do not believe that stabilization programs are necessarily the best way to preserve agriculture. What we also need is proper protection in our tariff structure.

A couple of weeks ago the report of the Tariff Board respecting fresh and processed fruits and vegetables was laid on the table. I do not know when we will have a chance to discuss the report in the House, if ever. Seldom do we get the opportunity to discuss anything to do with tariffs in this House. We have the GATT round and the Kennedy round, and pretty well such decisions are made by the bureaucracy and approved by cabinet. Such matters are not really discussed in the House of Commons where the opposition has a chance to say something.

The Tariff Board report on fruits and vegetables is a very good one and certainly does not go along the lines of the action taken by the Minister of Finance over the last few years of reducing tariffs on farm products. The fruits and vegetables industry has done a terrific job of informing the Tariff Board about what is going on, and I certainly hope the board's recommendations will quickly be acted upon. However, we do not know what route is going to be taken to make these recommendations law and to incorporate them in the tariff provisions, if that is what is going to be done by cabinet. As I say, we do not get an opportunity to discuss the matter, which in my opinion is undesirable.

I will not take up any more time of the House except to say that, so far as the general over-all philosophy of free and fair trade is concerned, I think there should be a more complete review of the whole tariff structure so that we do not find certain tariffs penalizing producers or manufacturers in Canada. I have a few questions I should like to ask, but I will save them for when we get into committee of the whole.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I have a few comments to make on Bill C-55. At the outset I should like to echo the words of the hon. member for Edmonton West (Mr. Lambert) who underlined the importance of tariff negotiations so far as Alberta is concerned, particularly with regard to agricultural and petrochemical products. These are very important to the industrial capacity of the province of Alberta, a fact which I should like to impress upon the minister. I would like to deal today with three industries which are of grave importance to the prairies and western Canada. They are the pork industry, the beef industry and the rapeseed industry. I would like to deal with them in that order as far as tariffs are concerned.

● (1640)

On February 20, 1973, the tariff on canned pork was substantially reduced. This bill calls for a continuation of that reduction. This is despite the fact that the hog industry in western Canada is on the verge of collapse. The industry is in trouble, and low tariff rates have only served to aggravate the problem. In 1971, Alberta produced 2,015,000 hogs. By 1975, this figure had been slashed almost in half to a total production of only 1,242,000 hogs. Many pork packing plants across Alberta have been shut down and the remaining operations are running at 35 per cent to 50 per cent of their capacity.

Tariff rates have not been the sole, nor even the major reason, for the decline of the hog industry in western Canada. Most of these problems relate to the problem of freight rates whereby it is cheaper to ship 800 pounds of barley to eastern Canada to raise one hog than it is to raise a hog in western Canada and ship the meat out to eastern markets. It would be a favour to western markets if the tariff was increased to an adequate proportion in order to eliminate some of the import-export anomalies we see.

In 1975, $77 million worth of pork was imported into Canada. By 1976, this had increased to $144 million worth of pork shipped into this country. At the same time, we are only exporting some $93 million. You can see the effect this is having. We have doubled our imports of pork products into

Canada within one year, and our exports have remained virtually the same or have dropped slightly.

I would like to deal for a moment with the continuation of low tariffs on vegetable oils. The highlights of this plight of the industry in the west is that the oilseed crushing industry is not going ahead at the pace it should be. I know of one or two plants in western Canada which are ready to start building if they could get the proper concessions as far as tariffs and freight rates are concerned. Without getting into the problem of freight rates, because I know that does not come under the jurisdiction of this bill, I would like to put before the House the supposition that if we cannot get the proper freight rate structure for the oilseed crushing plants in western Canada, maybe the answer is in a proper tariff structure.

At present it is cheaper for eastern Canada to import their vegetable oils for use in the kitchens than it is to bring in western crushed oilseed. This, of course, is because of the freight rate structure. If we could get a proper tariff structure on the importation of vegetable oils, this would provide the distinct advantage which is needed until the minister stops procrastinating on the freight rate structure and allows us to bring rapeseed oil and rapeseed meal into eastern Canada at the rate at which we are now shipping uncrushed rapeseed.

My last representation has to do with western Canada's beef industry. The item I want to refer to is the *ad valorem* duty which is being charged by the United States. It ranges from 7.5 per cent to 10 per cent on all boxed beef which is going into the United States. As a producer of beef in western Canada, I have to take that steer or heifer to a packing plant, have it slaughtered and put into a boxed condition ready to be shipped to the United States market directly into a store or a restaurant. I am being charged 7.5 per cent to 10 per cent *ad valorem* duty by the American government to send that boxed beef to the United States.

At the same time, a producer in the United States doing the same thing is allowed to bring his beef into Canada at a mere three cents per pound, which is a standard rate Canadians and Americans pay at the border for any carcass beef that crosses. This is a direct discrimination against the western beef farmer in processing his product in the packing plant. This is something we should look at very closely.

I am not advocating we should put on a 7.5 per cent to 10 per cent *ad valorem* duty here in Canada to offset what they are doing to the beef industry in the United States. I am advocating we should be entering into negotiations with the United States government to eliminate that discriminatory factor and allow it to cross the border at the three-cent tariff which is applied to American beef coming into Canada. All we are asking for is the same treatment. This has been going on for at least ten years, if not longer. In order to create more jobs in the packing industry in western Canada, it is absolutely essential, as we move more and more to the boxed beef trade for the restaurant market, to get the same treatment. Over a third of our meals are now eaten in restaurants, which is increasing rapidly to the point where in the next three or four years half of our meals will be eaten outside the home.

I would like to ask the minister one question in the area of small business. I cannot understand why a tariff is charged on machinery coming into this country which we are not capable of producing. To give an example of this, an industry in my riding is setting up a plant to produce plastic boxes for stores. They required a printing press to print on those plastic boxes. They were unable to find a printing press in Canada and found out that such a printing press could not be produced. Thus, they had to go outside Canada to buy the press. It cost some $300,000, and they were charged a 15 per cent tariff. That is a substantial amount of money to a small business which is scratching to get started and is faced with a sum of money like that which has to be paid to the federal government. That is unfair and is something we should look at. If we are not capable of producing that machinery in Canada, then there should be no tariff on its crossing the border.

In conclusion, it is a good practice to have no tariff on tropical produce. It is more sensible to allow that produce in free, than shipping hundreds of thousands of dollars of Canadian taxpayers' money to those countries in order to help them out with their balance of trade payments.

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, to begin with, I would like to compliment the minister on one inclusion in the tariff. I am referring to item No. 46218-1 which is a tariff item that relates to the film animation industry. This is a relatively new industry in Canada. It is encouraging to see they will be able to bring related machinery into the country duty-free in at least two areas, except for the third item which is the most favoured nation column. I want to thank the minister for that. It is necessary this new industry be supported in that way and I compliment the government for recognizing this need.

Having said that, I want to associate myself with the remarks of the hon. member for Okanagan Boundary (Mr. Whittaker). The policy of the government is contradictory in this area because, on the one hand, the government has created a tariff classification in order to help new industry, but on the other hand industry which is already established in Canada is having a hard time making a go of it.

● (1650)

I refer specifically to the leisure craft industry which produces campers and trailers. In my riding of Surrey-White Rock there is a large leisure vehicle industry, and because of rising taxes at all levels of government, rising labour costs and rising material costs, the industry cannot make it any longer in Canada. It is moving to the state of Washington. It is going to continue manufacturing leisure vehicles there. Canada can be serviced from the state of Washington better than if the industry is operating within Canada. Something must be rotten in the state of Denmark when a wholly-owned Canadian industry which was born in Canada and which has been operating in Canada for a couple of decades has to move to the United States to service Canada. It is time we took a new look at our taxation structure in order to help industries which are trying to make a go of it.

I would like to bring to the attention of the minister just one item. I raised this the last time there was a budget debate. It relates to marksmen, whether they are target shooters, skeet shooters, or whatever. The Canadian industry has stopped making components for ammunition; that is, shells, cartridges and shot. All those items are no longer manufactured in Canada. All you can get is the completely assembled bullet, shell, or whatever it is called, which is manufactured in Quebec. There are many people in British Columbia who are members of gun clubs and who do not want to pay the high, assembled price of those components.

Over and over again in schedule IV of the tariff we find the phrase "those items not made in Canada". I would like to ask the minister why it is not possible for this item to be declared duty-free so that people who see assembling these bullets as part of their hobby can be accommodated. Why can they not bring the component parts from the United States or from other countries and assemble them themselves? Why should they have to pay up to 12 times as much for the assembled item, when they could get it in its component parts and have the pleasure of assembling the bullets themselves, as well as saving all that money?

I know the minister will argue that this is a revenue-producing item, but if that is the case, why not for all these items? Why pick on this one item? I would like to have a clear answer from the minister as to why the tariff is on this one simple item which is important to target shooters and skeet shooters. These people purchase in large volume, and this tariff makes it very difficult for them to practice their hobby as much as they would wish. Why has the minister not included that in the tariff arrangements for this year? That is one item about which I would like to have a clear and concise answer from the minister.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I want to make a few comments to show that governments sometimes admit they make mistakes, and sometimes they even take action to correct them. On December 13, 1976, during a debate on scientific research relating to a bill on government organization with regard to scientific activities, I made reference to tariff item 69605-1 which is a tariff item dealing with scientific apparatus including scientific preparations used in teaching, in research and in medical diagnoses, these items being equipment and chemicals of various types.

Over the past five years there has been a severe erosion in Canada in the area of scientific research and medical research—all kinds of research, as a matter of fact—because of a policy of this government which suggests that very much research is not really necessary in this country because we can simply import it and thereby get it at a lower cost. The tariff item to which I am referring was changed a couple of years ago. These items were free of tariff originally, but for some strange reason somebody in the government got the idea that a tariff should be applied. The result of that was to increase the hardship for research people in Canada because the cost of research went up by 6 per cent to 10 per cent. Following many vigorous representations by researchers from across the country and by hon. members from this side of the House I am pleased to note that the government has now seen the folly of its ways and has again proposed in this bill to abolish the tariff on these items.

I wanted to make these few comments in order to show the House of Commons, the country and the world that members of the opposition are not afraid to say something complimentary about the government when it is deserved. I must emphasize, however, that I am speaking strictly about one specific tariff item. There are many others on which action could have been taken which has not been taken. The government should be severely castigated for this. However, on this particular item I think the correct action has been taken.

Mr. Deputy Speaker: Order, please. Before I recognize the hon. minister, I wish to inform hon. members that if the minister speaks, he will close the debate.

Some hon. Members: Agreed.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would like to advise the hon. member for Edmonton West (Mr. Lambert) that a soursop is a sour-tasting fruit found in the Caribbean. The substantial question which the hon. member for Edmonton West raised was with regard to provincial consultation on the current so-called Tokyo round of negotiations. I point out to him that there has been extensive consultation among the Canadian tariffs and trade committee and industry across Canada, and that provincial governments in particular have been invited to submit their considerations which should be brought forward in the forthcoming tariff negotiations. Only some provincial governments have responded to that invitation.

Mr. Speaker, I see that you are looking restlessly at the clock, and perhaps I will be able to continue my remarks at eight o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of the adjournment are as follows: the hon. member for Simcoe North (Mr. Rynard)—Agriculture—Brucellosis-Possibility of returning to vaccination program; the hon. member for New Westminster (Mr. Leggatt)—Environmental Affairs—Drilling in Beaufort Sea—Possibility of complaints from other countries about risk of oil spill and co-operation on clean-up.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's

order paper, namely, public bills, private bills and notices of motions.

• (1700)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

MEASURE TO PERMIT OBJECTIONS BY CITIZENS TO CHANGE OF RAIL LINE

Mr. Alan Martin (Scarborough West) moved that Bill C-207, to amend the Railway Act, as reported (with an amendment) from the Standing Committee on Transport and Communications, be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the bill be read the third time? By leave, now?

Some hon. Members: Now.

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

He said: Mr. Speaker, I have very few words to say at this time, but I should like to take the opportunity of expressing my thanks to members on all sides of the House—the opposition, of course, included—and to the Minister of Transport (Mr. Lang) for his support of a bill that I think through debate on second reading and in committee has been determined as being in the public interest. I might say that although the bill arose from problems in my own riding in connection with the expansion of the marshalling yard facility, I think it has been obvious from discussion of the bill that this kind of situation can probably affect all other ridings in the country.

The effect of the bill is to require that a public announcement will be made, when such expansion is contemplated, four weeks in advance of when it is proposed, and it will be made at no time when there are residences, commercial or public buildings within 1,000 feet of the proposed site of construction. This will give those affected an opportunity to present any objections they may have of the proposed plans to the Canadian Transport Commission, which may in turn require that the railway submit detailed plans, and it may choose to hold public hearings if that seems to be in the public interest.

The only other comment I should like to make at this time is that as a backbencher in this parliament it is encouraging to me, and I hope to other backbenchers, to see that members of parliament can indeed from time to time, with the co-operation of other members of the House, bring forward legislation that hopefully can have some useful effect across the country.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I will be brief. This bill has been discussed in great detail both in committee and in the House and there has been all-party support for the proposal. My only objection—and I raised this when it was raised in the House on November 23, 1976—is that the bill does not go far enough. We felt then that the bill should also cover the selection of piggyback terminals and other large railway projects. There have been complaints in the Winnipeg area about Canadian National Railways' complete disregard for citizens and residential areas when they locate, without any proper consultation and complete disregard for objections from the city or area residents. However, as this bill progresses we hope it can cover other areas such as locating piggyback terminals. I should like to congratulate the hon. member on his bill and trust it will receive speedy passage.

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am again pleased to be able to participate in this discussion on Bill C-207 to amend section 119 of the Railway Act. As I indicated in my comments during second reading on November 23, 1976, and again on April 25, 1977, when this bill was carefully examined by the Standing Committee on Transport and Communications, this is a bill which addresses itself to increasing public information and awareness by requiring railroad companies to provide four weeks' public notice of plans to change or expand railway tracks in residential areas. This is an important step in making the railways more responsible and considerate of the public they serve. In this respect, I am sure that all hon. members recognize the need for adoption of this legislation.

During detailed study of this bill in committee I moved an amendment which was unanimously adopted by the committee. The amendment in no sense changed the major thrust of this private member's bill. Rather, it broadened the scope of the bill to include not only residences but also commercial and public buildings located within a distance of 1,000 feet of the planned railway facilities. The amendment also provided for the Canadian Transport Commission to exercise practical discretion in administering the act.

The railways are not required to advise local citizens when existing facilities are to be deviated, changed, expanded or otherwise, when those fall within the scope of section 119. The value of Bill C-207 to the Railway Act is reflected by the unanimous and positive reception which the bill received on second reading and in committee. I urge that this bill again receive the unanimous support of all hon. members. I should like to thank all hon. members who participated in the debate on this legislation.

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

Some hon. Members: Question.

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

Mr. Deputy Speaker: Order, please. I just overheard that it was agreed to call it six o'clock. Is it agreed that I see the clock as reading 6 p.m.?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being six o'clock p.m. and the hour appointed for the consideration of private members' business having expired, I do now leave the chair until 8 p.m.

At 5.10 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

CUSTOMS TARIFF (NO. 2)

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-55, to amend the Customs Tariff (No. 2), be read the second time and referred to committee of the whole.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, may I say a few words, in reply to comments made this afternoon. I began to say this afternoon, subsequent to the comment made by the hon. member for Edmonton West (Mr. Lambert) with respect to consultation, that my predecessor over two years ago invited the provinces to make submissions with regard to Canada's position at the Tokyo Round of tariff negotiations, and a few provinces have responded to that by indicating their positions. Many more have not. I would have to say that I would welcome provincial participation on this question. Indeed, I would welcome the participation of the provinces at a meeting of finance ministers, at which we could collectively address ourselves to some of the issues involved. Last, but not least, I would welcome the provinces giving some priority to considering what they would be prepared to pay in terms of trade-offs in order to get tariff reductions abroad, and to considering their objectives for developing Canadian industry.

In this particular round of tariff negotiations the provincial position is going to be relevant, because this time it will not simply be a matter of changing the Canadian tariff. Some provincial policies themselves will be the subject matter of criticism. Non-tariff barriers of various kinds to trade are up for negotiation at this time.

Since I have been Minister of Finance, I have noted one of the areas of difficulty has been not so much the policies of the federal government as the policies of various provincial governments which have been active in excluding foreign imports from Canada. I think, of course, of the policies of some liquor control boards, policies of other provincial entities with regard to government procurement, the policies of marketing boards, and so on. I think that kind of national discussion would be extremely valuable, not only for the purposes of obtaining some indication of provincial priorities, but also for the purpose of learning what they are prepared to give up in terms of provincial protection in order to secure better markets for Canadian goods abroad.

Consultation with the private sector has been actively under way for over two years in the Canadian Tariffs and Trade Committee. That process of consultation will continue in the next six months as the Tokyo round of negotiations again gains momentum.

The hon. member for Okanagan Boundary (Mr. Whittaker) spoke of the difficulties some Canadian manufacturers are experiencing in competing in the Canadian market, and said that one or more of them—this point was echoed by the hon. member for Surrey-White Rock (Mr. Friesen)—had moved their operation to the United States and were selling back to the Canadian market. That, really, is the crux of one of the major economic problems we face in Canada. Unless we can keep our costs down in this country, unless we can remain competitive on the world market, not just in the business of recreational homes to which the two hon. members referred, but in many other Canadian secondary manufacturing enterprises, our businessmen will want the future expansion of their businesses to take place outside this country. For that reason the government has put particular stress on the importance of restraining the increase of costs in this country and, particularly, restraining the increase in the rate of inflation.

The hon. member for Okanagan Boundary also referred to fresh fruits and vegetables, and referred positively to the report on fresh fruit and vegetables made by the Tariff Board and tabled recently by myself. The second part of that report on processed vegetables will be available in the early summer, and the two parts of that report will have an important role to play in forming the Canadian position with respect to negotiations at the Tokyo round, particularly negotiations with the United States.

• (2010)

Both the hon. member for Okanagan Boundary and the hon. member for Wetaskiwin (Mr. Schellenberger) demonstrated the problems that the negotiators face, in the sense that at one time they were talking about better protection for Canadians and the next moment about better access to the American market. This is the basic problem that this country, indeed any country, faces in tariff negotiations.

What are you prepared to give up in the way of protection in Canadian industry for the purpose of getting better access to foreign markets? What are you prepared to trade off? That is the really critical question.

The hon. member for Wetaskiwin referred to the better market access he would seek for Alberta petrochemicals. That is a laudable objective if it can be achieved. He also talked about the importance of protecting certain Canadian agricultural markets in this country from penetration, particularly by United States exports. In this sense you have the contradiction that is involved in these negotiations for any country, of wanting better access for those products in which you think

you have a comparative advantage as opposed to having to give up protection of a certain Canadian industry.

On the question of vegetable oils, and indeed the question of further processing on the Great Plains, I would make a reference to the discussion which occurred in the question period with respect to the freight rate system and the impact of this on manufacturing in western Canada. It is a fair comment to make that indeed the crushers of rapeseed are faced with a difficult market in western Canada.

The problem is compounded by the fact that the freight rate system favours the shipment of either rapeseed, in the case of rapeseed crushers, or barley or other feed grains out of the Great Plains to be used not only in eastern Canada, but indeed for rapesseed to be processed in the Japanese market rather than having the processing occur in western Canada. There again is another trade-off you have to face between a lower freight rate for the raw product as opposed to the freight rate you have to pay for the more refined goods.

On the *ad valorem* beef tariff in the United States, the imbalance between the United States and the Canadian tariff, I recognize the imbalance. That is the kind of objective we should have in mind in going to the American negotiators, pointing out in this particular case we would be seeking reciprocal treatment in this regard, which I understand is the position the hon. member took. That is a very fair position. That is the kind of proposal we would have in a specific negotiation with the United States.

Finally, with regard to the machinery being imported by a small business, the present structure of the tariff system does make provision for the kind of situation to which the hon. member refers. There is a special provision with respect to machinery imports. If indeed it can be established that the piece of machinery being imported into Canada is not of a class or kind made in Canada and is not available from Canadian producers, that particular firm is able, under the machinery program, to make an application to get a remission of the duty. The hon. member did not mention any particular time frame within which the import had been made. If he would like to pursue with me a particular case of particular import, it may well be that under the machinery program they would be entitled to have back the duty which they have paid.

The hon. member for Surrey-White Rock made reference to the problem which he raised during the customs tariff bill debate last year, that is, with regard to the import of the elements by people who, as a matter of hobby, fill their own ammunition. As a result of the kind of representation he and others have made about importing things for hobbies in Canada, we have decided to make a reference to the Tariff Board to get their recommendation as to the appropriate treatment of imports of that kind for hobbies, and their being competitive with some of the products produced in Canada. That particular question is going to be given full consideration by the Tariff Board.

That covers some of the major items raised by hon. members. As we go through from clause to clause and look at the schedules, I will be glad to elaborate further.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Ethier in the chair.

On clause 1.

Mr. Whittaker: Mr. Chairman, I thank the minister for his limited reference to my remarks on the Tariff Board report. However, he failed to tell us what input parliament will have in dealing with this report. What discussion will opposition members be able to have? Will this be dealt with through cabinet? Does it have to go to the GATT round in Geneva? There is quite a large area there on which I would certainly like an answer.

Mr. Macdonald (Rosedale): Yes, Mr. Chairman. What we have said in making the Tariff Board report public is that we would like to have reaction from the public. In particular, we would like reaction from those provincial governments such as Ontario and British Columbia which have made specific representation with regard to the tariff and other arrangements concerning fresh fruits and vegetables.

It would be very valuable within the context of this House to follow the practice that was followed about 1967 at the time the Kennedy round was under discussion and to have a discussion on the issues involved in the Kennedy round, in particular some of the trade-offs I was talking about, some of the things we have to pay in terms of tariff concessions in order to get concessions from others. Therefore, as the position becomes formulated with regard to the Canadian position abroad on the Kennedy round, I would be quite happy if we could find an appropriate order of reference to have this matter discussed in committee. Essentially, they are questions of detail, and discussion would be more appropriate there than in the House as a whole.

On the other hand, if the hon. member would like to make his views known, either personally or in writing, to me with regard to the fresh fruits and vegetables report, I would be delighted to have it in that form as well.

Mr. Clarke: Mr. Chairman, I would like to ask the minister about the function of the Tariff Board and the input that it might have in connection with the proposals in the bill before us. It became evident in committee that there is a great delay in the preparation of a report and the presentation or consideration of that report by the ministry. To begin with, perhaps the minister can tell us what the problem is with the delay that seems to be experienced, and also what kind of input there is from the Tariff Board itself to the ministry.

Mr. Macdonald (Rosedale): Mr. Chairman, I would have to concede that one of the first questions I raised when I became the minister was a question as to the relative lapse of time involved in some of these Tariff Board hearings. I think it can be said that a greater sense of urgency has been communicated to the new chairman of the board. Miss McDougall has set

some very much tighter time schedules for the production of the Board reports. A good example has been the production of the fresh fruits and vegetables report on which she has now delivered the first part, and we will be expecting the second part in the early summer. I have to correct myself, Mr. Chairman. We are not anticipating it, now, until the early fall. That is a good example, however, of the manner in which the Board's recommendation will become a basis for a policy decision by the department.

● (2020)

The Board has made recommendations with regard to fresh fruits and vegetables and described the way in which the tariff system is operating. We have sought public response to the Board's observations. Based on both the Board's observations and the public response, we shall go on to formulate the position to be taken in the Kennedy Round.

I give another example. The report of the Board on leisure craft has been available to the government for some time and specific items related to it are already in the government's portfolio for negotiation in the Tokyo Round. I have to say that to a great extent we have obviously been holding off in terms of making changes since many of our objectives in the negotiating round are objectives with regard to which we would prefer to withhold action until we find out the kind of return we can get. In other words, we do not want to give anything away at this point if by conceding it in the course of negotiations we can get better access for Canadian goods abroad.

Mr. Whittaker: Mr. Chairman, I have a news clipping from one of the Ottawa papers quoting the minister as saying that the next round of tariff negotiations will be "all too real". The gist of the article is that we are likely to find ourselves having to give a good deal away.

Bearing in mind the fact that many industries and producers in Canada believe that this country is a saint in a world of sinners as far as tariffs and trade are concerned, I should like to ask the minister this: do we intend to take a hard stand so that we are not the first to give things away as in the past? Will we be conceding tariff levels which are of importance to the electronics industry, for example, or mobile home manufacturers, or producers of farm products, to improve the position, say, of natural resources or CANDU reactors? Or will the minister go in with a hard line, such as I understand the United States intends to adopt, so that we may be able to put our unemployed to work in the manufacturing industry or in small business?

Mr. Macdonald (Rosedale): Mr. Chairman, I really should not be commenting in detail on the United States position, but I would have to say, on the basis of discussions with President Carter at the London summit meeting, that he was not going into the Tokyo Round with a hard line.

An hon. Member: What about the U.S. Senate?

[Mr. Macdonald (Rosedale).]

Mr. Macdonald (Rosedale): Well, the President has the authority under the existing legislation, and he does not intend to seek greater protectionism. I believe this is evident from his action with regard to the request made to him by the American shoe industry. An important reality, and one which we have to bear in mind, is this: at that London summit meeting, for example, we were the only country with access to a market of less than 100 million. The Americans, with a market of 220 million, are obviously in a position of much more "heft" when it comes to what they can press for and hope to get.

Having said that, I must add that on the basis of our experience in the last Kennedy Round we can expect to get better access to foreign markets. Our negotiators have proved to be very skillful. For example, we have proposed in certain of the sectors in which we have a comparative advantage, for instance, base metals and forest products, that current high tariff levels on more highly processed products in these areas where there are quota restrictions should be lifted so as to allow better access for Canadian exports. Indeed, we are looking to get better access for Canadian manufactured goods as well. But let us not be under any illusions that we shall not, in the next decade, be operating in a very tough competitive world.

We can expect no easy free rides in the negotiations. Nor can we expect to prevent others from penetrating our markets. The fact of the matter is that even with the relatively high levels of tariff in Canada in some areas, certain products from abroad have been able to sail right in over the top of the tariff wall. One example is textiles. We could, of course, say to our people, "We are going to pay more for everything around here; we are going to put the tariff walls very much higher and exclude foreign goods." The result would be restricted access for Canadian exports and a lower standard of living for everyone. It is a tough choice.

I understand the concern expressed by the hon. member but I do not think we can turn the clock back and go for higher tariff protection. In the first place, I am not sure Canadians are prepared to pay for it, and in the second place I am quite certain other countries will not permit us to get away with that kind of claim while expecting concessions from them in the negotiations.

Some hon. Members: Hear, hear!

Mr. Clarke: Mr. Chairman, I thank the minister for his earlier answers. I would like to ask him about the Tariff Board again. I have a question concerning report No. 152 of the committee. It was conceded that the report was signed by the Tariff Board on March 2, 1977, although no attention appears to have been paid to it in the budget. It then came out that it was not until April 26 or thereabouts that the report was received from the printer and therefore the minister could not have had it in his possession until after the budget was presented on March 31. I would like to ask the hon. gentleman what is the purpose of these reports which the minister receives from the Board, and when might some use be expected to be made of some of them.

Mr. Macdonald (Rosedale): I have answered that question by pointing out that the principal use of these reports will be in formulating the Canadian position in the Tokyo Round of negotiations. It would obviously be foolish to take up such a report, particularly if we are going to concede some points, before we get into the actual negotiation. For instance, in the case of the luxury craft we now have a good indication as to the structure of the industry and the kind of tariff treatment the Board thinks desirable. This is a report which we have in our portfolio for negotiation. That is why we have invited the views of the industry in Canada with regard to the Tariff Board's recommendations, and on the basis of this advice we shall formulate the Canadian position at the Tokyo Round.

Mr. Clarke: Perhaps I could refer to report No. 149 on the pleasure craft, commissioned, I believe, in 1971. It took a long time to prepare. I cannot see the date. Anyway, it was received by the minister in April, 1976, some 11 months before his March 31 budget. That document was five years in production and it was in the hands of the department 11 months before the budget brought down in March of this year. According to the Chairman of the Tariff Board the minister has not included any of the pleasure craft recommendations in the current budget.

• (2030)

Mr. Macdonald (Rosedale): That is right, Mr. Chairman. As I said, that is again a matter for negotiation in the Tokyo round.

Mr. Clarke: I know the minister gets a lot of representations from different groups with special interests, and in the debate on a similar bill last year I raised the matter of other interests which had been brought to the attention of the minister by myself and others. In this case it was the collection of vintage cars. I know there have been many representations made to the minister on this matter. It is argued that vintage cars are really no different from original works of art which are allowed into the country free of tariff, as are other things like antiques of a certain age. The minister has not seen fit to relieve vintage car hobbyists in Canada, even though they are trying to preserve in Canada some of Canada's history.

It has been a tradition in tariff setting in Canada that when there was a goods not of like kind produced in Canada, tariffs would not be prohibitive. It is a fact that many vintage car parts, particularly tires, are of a class or kind not made in Canada; at least they are not available in Canada. I would ask the minister what further consideration is going to be given this group of Canadians.

Mr. Macdonald (Rosedale): Mr. Chairman, the hon. member said that we have done nothing about this. I would bring to his attention tariff item 69315-1 in which we have reduced the age of antiques, not just vintage cars, of all kinds, from 100 years to 50 years. As I indicated in my budget speech, we have also referred the various representations, which the hon. member has mentioned, in connection with antiques to the Tariff Board for their recommendation.

Mr. Clarke: I was not aware, Mr. Chairman, that there were any automobiles approaching 100 years of age and I confess that bringing the limit down to 50 will certainly be a step in the right direction. Has the minister any thought of reducing it to something more realistic, such as 30 years of age for cars?

Mr. Macdonald (Rosedale): That is the kind of question which the Tariff Board will be considering.

Mr. McCain: Mr. Chairman, the questions that I should like to direct to the minister are primarily in the field of agriculture. He may feel that I am directing them to the wrong minister, but in view of the fact that in an earlier debate on the same subject not too many years ago I asked the Minister of Agriculture whether he had been consulted about changes in duties and reduction of protection for agricultural products and he said no, and I asked the Minister of Consumer and Corporate Affairs whether he had estimated or in any way calculated the benefits to Canada, or the disadvantages to Canada, resulting from reduction in tariffs on agricultural items and had it been part of his input into the duty structure as it related to change in that budget, and he said no, I therefore assumed that the government must have made some calculation as to the impact upon the total Canadian economy of a reduction of protection for Canadian products.

I should like to ask the minister whether reductions in duty on agricultural items have been related to their effectiveness on imports into Canada, and has there been any tabulation of the comparable effect of duty in markets to which we might ship, or the comparable effect of duty in places where similar items are produced and imports are regulated by protection? Has there been any calculation to determine whether or not Canada is being fair to itself in this change in duty structure?

Mr. Macdonald (Rosedale): Mr. Chairman, I find the question a little obscure in the sense of asking have we calculated the impact in other markets to which we ship. I would have to say with regard to our own tariff that probably the best evidence of the fact that Canadian producers have not suffered unduly is that, on the whole, there have not been extensive representations against these particular temporary tariff reductions which, as I have said, have now been in place for close to four years. There have been a number of cases where there were representations in the past and we had taken action for the purpose of restoring the duty. A good example of that is the action that we took earlier this year with regard to pork.

In general terms it is difficult to make a precise calculation of the kind of saving to the consumer resulting from the reduction of the tariff. On the other hand, one can say at the same time very clearly that if the customer does not have passed on to him the additional cost of a number of points of duty, then it is going to cost him less.

Mr. McCain: So in other words, Mr. Chairman, the answer is no, there has been no study of the relative effect of duty on agricultural products brought into Canada versus the effect of duty levied on agricultural products which might go to other

markets, such as the European Economic community or to the United States, which is a recipient of some of our exports. I guess the answer is no, there has been no study to determine the effectiveness of our duty versus the effectiveness of duties in other jurisdictions, and this is what I had suspected from the beginning.

I should like to ask the minister why he feels there should be restrictions on the importation of textiles, for instance, which will have exactly the impact, so far as food is concerned, which the minister has denounced. A relative impact on clothing will be felt, as there would be a relative impact on food if agricultural products had had greater protection. Why does the minister feel that textiles and some other items in Canada deserve increased protection, either by an increment in the effective duty or by the restriction of imports by quota, as is the case in the textile industry? Why should these industries be isolated and agriculture left out?

Mr. Macdonald (Rosedale): Mr. Chairman, the principal reason is that there had been a dramatic increase in textile imports into Canada, to the point where imported textiles had come to assume about 55 per cent of the Canadian market. We are talking of an industry that employs 200,000 people. We recognize that there will have to be a substantial adjustment for both firms and work force in adjusting to the current terms of trade whereby particularly more advanced developing countries can now sell effectively into our market even over the existing tariff structure. However, the feeling was that the situation had reached crisis point in that particular industry and that we should give them temporary protection until the adjustments can be made.

The Canadian textile industry has already been through one adjustment when it reduced non-competitive capacity in the 1960's and early 1970's. It is now faced with very much the same thing again. It is important for the employees involved, on a temporary basis, to protect their present jobs as far as possible, and then make the effort to give them adjustment assistance to move into other areas of the economy, a task upon which the Minister of Industry, Trade and Commerce is now engaged.

Mr. McCain: I think the minister is improving the case for agriculture as he goes along. There is a distinct parallel between the textile industry and certain facts of the agricultural industry. I would ask him to take a sincere and deep look as Minister of Finance at some of the alarming alterations in trade patterns as a result of some of our negotiations in the international world of trade. Take, for instance, the apple industry. Does the minister have any idea of the change in the pattern of the apple trade over the last 25 years, part of which results from international negotiations or the establishment of unnatural barriers in markets to which we had at one time exported substantial quantities of apples and which are now closed to us?

[Mr. McCain.]

● (2040)

Mr. Macdonald (Rosedale): Mr. Chairman, indeed that is recognized. One of the substantial markets was certainly that of the United Kingdom. We have lost our advantage with regard to many agricultural products in that market because of the United Kingdom's accession to the European Economic Community. That is not a matter of negotiation we could have prevented by withholding in some way. The United Kingdom was in a position to make its own decision to join the EEC. It was entitled to do so under GATT, and it did do so. That is a kind of change in international events for which one cannot provide protection. One has to seek to provide adjustment assistance. It is fair to say in many of the agricultural programs a parallel type of adjustment assistance has been provided.

Mr. McCain: Mr. Chairman, I agree the items I will refer to have been the extreme reflectors of the pattern, but they have at the same time reflected upon important segments of the field of agriculture. Is the minister aware, for instance, that in the ten year period from 1966 to 1975 apple imports increased from 54 million pounds in 1966 to 148 million pounds, or almost threefold? Is the minister aware of the source of the pressure upon Canadian apple production?

I submit the aid which has been given to the textile industry is not drawn from the public treasury, nor does agriculture appreciate the fact that as a result of some of the positions in which it finds itself it must draw from the public treasury if it is to remain viable at all in certain products which are native to this country. In past years there were fair and equitable trade agreements, and we have been major exporters and able to supply all of our own requirements. The apple is the extreme case as a result of these things. When you go from 54 million pounds to 148 million pounds of imports in a ten year period, you find it very serious to accept. If you look at the export picture in that same commodity for a comparable period of time, you will find our exports declined by something like 31 million pounds. This puts us in a very unfavourable net position. If I were to take this back 25 years, the figures would be even more alarming.

Is it not reasonable for the Canadian apple producer to ask for treatment comparable to that of the cheese producer or the textile producer of Canada, so that he might have a chance to flourish within an area of his own country?

Mr. Macdonald (Rosedale): Mr. Chairman, the Tariff Board report we have been discussing this evening recommends apples should continue to come in duty free.

Mr. McCain: That has been the very generous position which has been adopted over the years by the apple industry; but it was also assuming, when it made this recommendation, that it would not lose equal trading opportunities in jurisdictions to which it had exported over the years, and these have been lost. Therefore there is demand upon the public treasury for support in the apple industry.

Let us go to a crop which is not as major in significance. Is the minister aware that in the same ten year period there has been almost a threefold increase in the import of cherries as far as Canada is concerned?

Mr. Macdonald (Rosedale): Mr. Chairman, I would have to check to see if the hon. member's figures are correct.

Mr. McCain: Is the minister aware that the increase in importing pears has been in the region of 45 per cent in the same ten year period?

Mr. Macdonald (Rosedale): Mr. Chairman, with regard to cherries and with regard to pears, the Tariff Board has made precise recommendations, on which the hon. gentleman might like to comment.

Mr. McCain: You have them in front of you.

Mr. Macdonald (Rosedale): You have the Tariff Board report.

Mr. McCain: When you look at onions, in that same ten year period the importation changed from 63 million to 96 million which was an increase of over 50 per cent and a physical increase of 33 million in round figures. Mr. Chairman, I should point out I am referring to pounds throughout.

Is the minister aware that in the tomato industry imports have gone up 48 million pounds in the same ten year period? Is the minister aware that, as a result of the position considered as a crop which Canadian farmers should drop because the effective tariff structure is such that it can neither be grown nor processed effectively in Canada at this point in time and may be wiped from the scene?

Mr. Macdonald (Rosedale): Mr. Chairman these are commodities which have been dealt with by the Tariff Board report. One of the purposes of having that report is to get a judicial balance, and we have got it. This is one of the questions now being discussed with the agricultural industry. A most helpful thing at this particular point would be, if the hon. gentleman disagrees with the Tariff Board report in this regard, for him to indicate the ways in which we could do so. If he feels these particular interests need help, then I think the most useful thing he can do is to express the kind of help needed and comment on the statement which has been made respecting fresh fruit and vegetables.

Mr. McCain: Mr. Chairman, I should point out for the minister's information that I have been a regular attendant at the Canadian Horticultural Council for approximately 30 years. I am familiar with the demands they have made and the treatment they have received. Notwithstanding what the tariff report may say, I would like to draw another crop to the minister's attention. Before doing so, I should say the Minister of Finance, the Minister of Consumer and Corporate Affairs, the Minister of Agriculture, and the government itself should not seek the crutches of various boards as the government tries to justify its position in an intolerable situation created by trade policies which are not related to the needs of Canadian industry in any way, shape or form. Certain aspects have absolutely been demoralized in our trade structure and our agricultural production. If you take a look at the figure for tomatoes 25 years back compared to today, they would starkly point out to the minister that fresh and processed tomatoes, both in relation to our capacity to produce and in relation to our nation consuming that product, are an industry which is no longer significant as an agricultural crop. We are relying on foreign sources to produce what we can produce in our own gardens at home. This is not good government policy, whether you want to use the Tariff Boards as a crutch or an excuse for the things which have been visited upon agriculture. The minister has not studied the matter, as he revealed in his first answer to me.

In the ten year period imports of broccoli went up from nine million pounds to 34 million pounds. That is an increase of more than 350 per cent in the importation of broccoli in a ten year period. If one were to take a look at strawberries, as I mentioned earlier, that item has disappeared as a Canadian agricultural product relative to Canadian consumption. I believe these figures are somewhat rounded. I did not bring one piece of paper which I should have brought with me. The importation of fresh and frozen strawberries has risen from five million pounds in 1952 to approximately 55 million in 1976. That is an elevenfold increase in imports of one product.

● (2050)

I support the minister as he protects the textile industry. I supported him when he took belated action with respect to pork. It was belated, but it was a step in the right direction. But I cannot support a policy under which producers in Canada should suffer because of a lack of protection, where we find the doors closed in traditional markets and we open our doors to rather non-traditional sources of meat. These things have been said in the Standing Committee on Agriculture as strongly as possible. If the minister would read the resolutions and recommendations as they have been presented by the Horticultural Council over the last 30 years, he would find that that council predicted exactly what has happened.

I would like to ask one other question of the minister. How many agricultural jobs have been lost and how many jobs in the processing industry have been lost as a result of these changes which have taken place, and in relation to the percentage of crops we now produce along with the percentage of crop which we ourselves can consume and which other countries can consume? How many jobs have been lost in Canada? We protected the textile industry. We should have protected agriculture on a broader base. Has the minister made any study whatsoever as to the impact on employment of reduced agricultural products in the broad scope of things agricultural over the last 25 years when we have had a cheap food policy and an open door policy for trade?

Mr. Macdonald (Rosedale): Mr. Chairman, there is no doubt about the fact that there has been a substantial drop in employment in agriculture, just as there has been a substantial

drop in employment in the textile industry. The hon. gentleman says we have protected the textile industry.

Mr. McCain: As you should have.

Mr. Macdonald (Rosedale): He forgets the fact that by a series of steps taken in the late sixties and early seventies we made a very substantial restructuring of that industry as a result of which a significant number of plants were closed and people were moved into other areas of employment in the economy. It seems to me that was the sensible way to manage things, and that is the way it was managed at the time.

Going back to the hon. member's comment when he said we should not have a Tariff Board—

Mr. McCain: I did not say you should not have; I said you should not use it as a crutch.

Mr. Macdonald (Rosedale): Accepting the recommendations of the Tariff Board, considering them, asking for public consultation on them, and on the basis of all that deciding on our negotiating position—is that using the Board as a crutch? It seems to me that if the Board has, as it has, devoted many hours to taking testimony from many interests in this regard, it is entitled to be listened to by the government. The Board is listened to by the government. It makes sense to have the Board part of the process, and this has been recognized by governments for many years.

Mr. McCain: Mr. Chairman, I agree basically with what the minister said, but he did not go far enough. As far as he went he was correct. It is the function of the Tariff Board to make recommendations to the government, but it is the responsibility of the government to make decisions after having faced the economic realities of this nation as a whole.

The minister has expressed concern in various dissertations which he has given both inside the House and outside with respect to the impact of an unfavourable balance of trade. Has the minister taken a serious look at what an element of protection for agriculture could do to change the imbalance of trade which we are presently experiencing? With the exception of grains for the moment, because we must agree that grains are at an unusual peak in value, has the minister taken a look at the balance of trade as it relates to food, and particularly food which we can produce in this country, and its impact upon the total economy of the nation? Has there been any precise study in that field?

Mr. Macdonald (Rosedale): Mr. Chairman, very obviously the Tariff Board has focused on that, and that is quite a precise study. I think it is fair to observe that for very many months of the year in Canada the Canadian producer is not in a position to supply the Canadian market with fresh fruits and vegetables. Very obviously these are the commodities which, given almost any circumstances, we will be importing into this country.

Mr. McCain: I did not mention bananas, lemons or grapefruit. I mentioned crops.

[Mr. Macdonald (Rosedale).]

The Assistant Deputy Chairman: Order, please. I think the hon. member for Carleton-Charlotte has taken his allotted time, and I see other people seeking the floor.

Mr. McCain: I just have one more question, Mr. Chairman.

The Assistant Deputy Chairman: The hon. member will be allowed one more question.

Mr. McCain: You have been very generous, Mr. Chairman, and I appreciate it.

Does the minister know that the importation of agricultural products from 1960-64, on a five year average, to 1975, went from roughly $780 million to roughly $2.8 billion, a $2 billion increase in imports of food into this country?

Mr. Macdonald (Rosedale): Mr. Chairman, I do know that there has been a substantial improvement in our standard of living generally, and the hon. member will find a similar escalation in that regard through the same period. I suppose the question is whether Canadians should be entitled to import lettuce or fresh tomatoes in the winter time, and we think they are.

Mr. McCain: Take a look at these things.

Mr. Whittaker: Mr. Chairman, I would like to comment briefly on the apple situation which is a good example of what happens when we negotiate with other countries such as the United States to take tariffs off over a period of years. It was agreed to take it off over a period of years, but the then minister of finance decided that he was going to take it off completely in Canada, so within one year he took the tariff off. He asked the United States to take theirs off as well, but because of the agreement they refused to do so. So there we were in Canada trading with no tariff on the commodity coming into Canada, and we had to pay one. However, over those years there was a constant increase of imports of apples into Canada, and as the hon. member for Carleton-Charlotte said, starting out on an equal basis of probably one million boxes going out of Canada and one million boxes coming in, now, ten years later, it costs us three times as much. We have free trade in apples. The farmer in his orchard is not protected, but many industries on which he depends are protected.

For instance, the Minister of Agriculture put a complete barrier in front of farmers going down into the United States to bring back sprays. Farmers are trying to compete when the industries on which they depend are working in a climate of protection, and it is getting more and more difficult. I am quite aware that the industry did not ask for a tariff and that therefore the Tariff Board did not say that there should be a tariff put on our apples; however, I am also aware of the stabilization that is needed today in the apple industry because of this situation. I am also aware that it is difficult to market this commodity because of imports coming into Canada. Three times the previous amount of this commodity is now being imported into Canada.

I would like to comment on the cherry situation. The minister asked the hon. member for Carleton-Charlotte if he would like to comment on it. I am very aware of what is in the Tariff Board report with regard to cherries. On Sunday I was down in the fruit markets of Ottawa. I saw a sign in a window which said "Cherries, 89 cents". I thought that we really are going to get cheap cherries this year. I took a closer look and found that the price was 89 cents per half pound. Cherries from the United States are selling in Ottawa at $1.68 to $1.79 per pound. We would sure like to get that kind of market for our Canadian cherries. Those prices will not change very much until just about the time Canadian cherries come on the market. By that time 85 per cent of the cherry production of the United States will have been sold. The remaining 15 per cent is then sold at a much lower price. It is the tail end that they are getting rid of, and it is with that that the Canadian producer has to compete. It is a very short market season for cherries. We grow a good product and we are using the type of farm land that people are saying today should be frozen, should not be paved over or have houses built on it.

• (2100)

In this tariff report there is also a report on the surcharge concept that the farmers producing commodities such as cherries and peaches need and are requesting. One of the disappointing features of the report is that the Tariff Board only recommended that it be triggered at 85 per cent of the three-year average. It is doubtful that on a monthly basis 85 per cent of the three-year average will be enough to give the necessary protection for that short period when United States producers will ship into Canada at a lesser price than they are getting today.

We will be into the Canadian peach season within 40 or 50 days and growers are going to need help of this kind this year. If the report is going to gather dust for a while it is not going to be of any use to producers this year. I should like to request that the minister look at the surcharge provisions that have been used before by the government and that are recommended for use now, and put them into effect for this year's crop.

Mr. Ritchie: Mr. Chairman, in a previous customs tariff debate I made reference to western crops of flax and the 50 cents per bushel duty on flax going into the United States while there is no duty on flax coming into Canada. Flax is a cash crop for western Canadian producers and it is a useful crop. Last fall about 2 million bushels were exported to the United States. I am not sure why, because the price tends to be the same in both countries. It is a small volume crop compared to wheat, and this sort of thing happens. The flax growing area of the United States is the Dakotas so perhaps that is why it moved back and forth across the border. There is no particular reason, however, why the United States should impose a 50 cents per bushel duty when we do not impose any. It would be desirable to have the United States remove the duty so that there could be a free flow back and forth. If this cannot be done it would seem logical that we should have the same duty.

Reports from the negotiations in Tokyo seem quite pessimistic and little progress seems to have been made. It is disconcerting that according to a report in the *Globe and Mail*, little progress has been made in agriculture which includes such sub-groups as dairy, meat, grain and other products. Some agricultural producers feel that they have been used as a trade-off and that their interests have been subordinated to manufacturing or resource industries. Does the minister feel this is happening at Tokyo now, or has there been a change in emphasis?

Mr. Macdonald (Rosedale): Mr. Speaker, in general terms I would have to say that the Tokyo Round discussions on agriculture have not made very much progress up to this point. This is principally because of the stalemate between the United States and the EEC on agricultural products and the manner in which they would be negotiated in the Tokyo Round. There was some indication at the London summit meetings that this impasse might now be broken and there was some prospect of having early negotiations in substance in the Tokyo Round. It is quite true there has been less progress on agriculture, than, for example, on manufactured products or the preparatory work done concerning some of the other questions which will be negotiated in this round.

On the matter of flax, I think the hon. member makes a good case, just as a good case was made by the hon. member for Wetaskiwin with regard to boxed beef as to an imbalance between the Canadian and United States tariffs. If one looks at that particular sector there could be powerful argument with the Americans about reciprocity. The difficulty with picking one element out of a complicated structure like tariffs is that you cannot be sure where else in the schedule of tariffs they may seek reciprocity which may have a very substantial impact on Canadian producers.

This is the kind of trade-off that will occur. I cannot say whether flax or boxed beef is on the list for negotiation, but very obviously the MTN, the Tokyo Round, is the basis for trying to get reciprocity on these items.

Mr. Ritchie: In our negotiations in Tokyo, on the agricultural products do we tend to be on the side of the Americans in dealing with the EEC, or do we have our own stance?

Mr. Macdonald (Rosedale): Mr. Chairman, it depends on what the product is. If it is one in which we are seeking substantial access to the American market, obviously we will be looking at it on a bilateral basis. Equally obviously, if there is a product that the Americans are interested in and where they can use their much greater weight because of the size of their market to penetrate the EEC, it makes sense for us to let the American lineman run interference for the Canadian back fielder. On the MFN quality, the generalization for other contracting parties of a negotiated rate or quota arrangement between the United States and the EEC, we can get the benefit of the lower rate without having to pay anything for it. It really depends on the commodity and what the prospects are for selling it. Obviously we are going to have important bilateral trade with the Americans, and equally we are going

to be looking forward to the possibility of their making some penetration of the European market, of which we will get the benefit through the MFN clause. There will be some third commodities for which, obviously we will have to carry the ball ourselves.

Mr. Ritchie: On the question of countervailing duties there is a suggestion that Canada continue to press for injury to domestic industry as a key criterion, contrary to the practice of the United States. I should like to ask the minister what the difference is in our approach to these countervailing duties and how is this working out?

Mr. Macdonald (Rosedale): Mr. Chairman, I am reminded that fresh regulations have just been issued with regard to countervailing duties. The hon. gentleman is correct in saying that the Canadian practice required the identification of injury, whereas the American practice had been mandatory. The new regulations we have put forward make provision for interim duties, pending the ultimate finding of injury. In other words, in a practical sense we are moving closer to the American position, but there is still this difference between the two positions.

● (2110)

Mr. Ritchie: Mr. Chairman, may I ask one more question concerning the United States treasury and the court case involving Zenith Radio Corporation? According to what I read in newspapers, the consequences of that case, which is still before the courts, could be serious. Do the minister and his officials regard that as a serious case, with wide-ranging tariff and trade implications?

Mr. Macdonald (Rosedale): Mr. Chairman, I would have to say yes, but cannot give a detailed explanation why.

Mr. Friesen: Mr. Chairman, I hope I am not out of order; I was attending a committee meeting when the Minister of Finance made his summary comments winding up the second reading debate. I wonder if he dealt with the question of the component parts of shells used for target practice. What are his plans in this regard and, if he does not plan to allow this item in tariff free, will he explain his reasons for his decision?

Mr. Macdonald (Rosedale): Mr. Chairman, I dealt with the question and indicated that this is one item with respect to which we have sought the advice of the Board. We want to know how to treat hobby items of this kind. The question is now under consideration by the Tariff Board which is looking at how the matter is to be treated.

Mr. Friesen: Mr. Chairman, can the minister indicate when he will have an answer or decision from the Tariff Board and announce it in the House?

Mr. Macdonald (Rosedale): Mr. Chairman, I cannot give an indication of an early response. The Board will be considering the question, but I am afraid I do not know what the timetable is.

[Mr. Macdonald (Rosedale).]

Mr. Halliday: Mr. Speaker, may I address a question to the minister? I hope my question will be in order. It concerns the importation from the United States of fabrics which, if made in Canada, would naturally be subject to tariff. I am talking about a double knit fabric which is normally made in Canada. If there is a backing on it, it is used for upholstery purposes. I understand such a material with backing is not made in Canada, and that a tariff is imposed on such imported double knit fabric which, with a special backing, is used only for upholstery. Have I correctly described the effect of our present regulations?

Mr. Macdonald (Rosedale): Mr. Chairman, I am afraid I cannot give a specific answer this evening with regard to the application of that tariff item. Certainly I could inquire and enlighten the hon. gentleman. Collectively, the trio in the committee of which I am a member cannot respond to that specific question.

Mr. Kempling: Mr. Chairman, I return to the Tokyo Round, which the minister discussed a few moments ago and about which the hon. member for Dauphin questioned him. I, and I am sure my comments apply to others, have received letters from manufacturers in my constituency and the surrounding area concerning the Tokyo Round. The tenor of such letters makes it clear that manufacturers do not know what is happening. They have made submissions to the minister but there has been no feedback. They are operating in the dark, not knowing if they can expand operations and put in another production line, or if the negotiations will lead to a drop in tariffs, with possibly unfortunate consequences for certain products. I understand that Mr. Gray is shortly to return from Geneva. What is the government doing to let industry know what is happening in tariffs? Is the minister planning to hold meetings, or to hold further discussions, or to issue press releases concerning the progress of negotiations? We need to know what is happening in this area.

Mr. Macdonald (Rosedale): Mr. Chairman, the Canadian Trade and Tariffs Committee was specifically set up for this purpose. It has received submissions from Canadian industry and, indeed, has met with representatives of Canadian firms who have sought such meetings, as, indeed, Rod Gray has on his fairly frequent return visits to Canada. The hon. member suggested that there is an element of uncertainty with regard to certain products as a result of negotiations. I think, inevitably, there will be a certain amount of uncertainty until the negotiations are finalized. For reasons of which I am sure the hon. gentleman is aware, the discussions have stood still for a time. There is now some prospect, after the meeting of two weeks ago, that they will be moving forward somewhat more quickly. However, until the final deal is made there will be that element of uncertainty. The Tariffs and Trade Committee intends to try to resolve such difficulties as best it can in addition to being an effective communications medium.

Mr. Stevens: Mr. Chairman, may I refer the minister to the report by the Tariff Board, known as Reference No. 150, which deals with computers and related telecommunications

equipment? Let me give the minister some background. I hope the minister can bring the committee up to date on the government's current position with respect to the tariff structure affecting computers and related telecommunications equipment.

It is interesting to note that Hon. E. J. Benson on December 10, 1971, requested the Tariff Board to prepare this report, which was finally signed on March 3, 1977, by a board the composition of which was somewhat different from that to which Mr. Benson had originally addressed his request some five years and three months earlier. I raise this matter because some in the computer field have told me that their industry has changed. Some of the people previously active in it and who were witnesses have died, retired or resigned. The Board's delay in reporting is most strange. A minister of finance requested this report several years ago; now, two ministers of finance later, so to speak, the Board has finally handed down its report.

This report says substantially this "Guess what? What you said back in 1971 concerning the computer industry was quite right." My question is this: since we will have waited five years and five months by the time the report will be tabled in the House, let me now ask the minister what does the government intend to do to relieve the computer industry from the senseless customs duty which, as the Tariff Board seems to agree, that industry has been forced to pay over the years?

Let me refer to the letter Mr. Benson sent on December 10, 1971, to the then chairman of the Tariff Board, Mr. L. C. Audette, Q.C. He said that he received representations concerning the effect of the customs tariff on the production and use of computers and related equipment, and went on to say:

> It has also been alleged that the duty on such equipment, especially that which is not available in Canada, is having an adverse effect on the ability of the Canadian business community to take advantage of computer services and techniques and discourages the processing of data in Canada.

Five years and some months later, the Tariff Board handed down its report. At page 325 of its report the Board begins to make that part of its recommendation which says that the tariff on the items alluded to should be changed or reduced. The Board stated on page 325 of the report:

> Given the pattern that characterizes the Canadian computing equipment industry, the Board has carefully weighed the available evidence and concludes that the tariff has had very little effect in restricting imports, supporting a viable Canadian-owned indusry, or in influencing production location decisions . . .

The report goes on to say:

> The Board has found no evidence to support the need for a general level of tariff protection on all finished computer products.

When we questioned the Chairman of the Tariff Board as to what recommendations made in the past the Minister of Finance has implemented, we were left with the strong impression that there has been little interplay between the activities of the Minister of Finance and those of the Tariff Board. In short, although it takes years to prepare these reports, they are conveniently filed away and little reference is made to them. This is most unfortunate.

• (2120)

If we look, we find that 34 different people or companies actually made submissions to the Tariff Board as to why the tariffs on computer and related equipment should be changed. It is most unfortunate that the Minister of Finance seems to be so casual toward Tariff Board reports after they have been prepared.

I notice tonight the minister stated that the government is entitled, and I think I have his words correctly, to listen when the Tariff Board speaks. That is the point, Mr. Chairman. I understand that technically the minister can amend what we have before us tonight and can give effect to the Tariff Board recommendations here tonight as far as the computer industry is concerned. My first question is, is he willing to do that, bearing in mind it took the Tariff Board five years and three months to sign a report that was transmitted to him a month later?

Mr. Macdonald (Rosedale): Mr. Chairman, I think one of the important points to make in this regard and one of the reasons for tabling it in parliament is so that industry will have an opportunity to comment. As the hon. member knows, the document was tabled several weeks ago. We will be looking forward to comment.

Will I be prepared to take the tariffs off this evening? For the very reasons I indicated before the hon. member came into the House, I would have some hesitation in doing that. We are going into an international negotiation in which we will have to give up some things in order to get other things. If we are going to reduce the Canadian tariff for somebody else's benefit, we should try to get something for it.

Far from being casual about it, we have, for example with regard to pleasure craft and other representations, kept any possible changes as one of the matters on which we would be prepared to negotiate in the multilateral trade negotiations rather than giving them away unilaterally before the negotiations are completed.

Mr. Stevens: Following on the minister's reply, will he now indicate what steps he will actually take? We now have in hand a Tariff Board report which recommends a reduction in tariffs on computers. What is the next step? It was tabled not a few weeks ago as the minister indicated, but within the last ten days. What happens now? Is there any formal exchange between here and Geneva where the report is drawn to the attention of those people, with or without a recommendation of the minister?

Second, what process is the minister going to follow to ensure that those who are affected by the report and know of it have an opportunity to make their feelings known? I ask this because I have checked with some of these companies. To date, most of them do not even know that the report has been tabled in the House.

Mr. Macdonald (Rosedale): Mr. Chairman, I have to say that the Tariff Board gave publicity to the fact that it produced the report. If companies which took the trouble to make

submissions in this regard have not been following the issue that closely, then I suppose I should ask the Tariff Board to go back to those who made a submission and bring this to their attention. The Board has, however, publicized the fact that it has reported. As I indicated, we are seeking public response to it at this time. Obviously the government will have to make a judgment on what to do in this regard, in particular on how to treat it in the MTN negotiations.

The next step, in answer to the specific question, is to get the public response to the Board's findings and evaluate this response to see to what extent the government should either, in its conclusion, change those findings, or be prepared to accept as the Board has recommended.

Mr. Stevens: Following on the minister's comments, Mr. Chairman, will he indicate specifically how he is going to seek the public response? Is it going to be to all individual companies that are listed here, something over 100 of them? Is the onus on them to come to the minister? Is so, how long does he plan to wait until he feels they have had a fair opportunity to respond before we can hear what his views are on the Tariff Board's recommendation?

Mr. Macdonald (Rosedale): Mr. Chairman, I think it is not unreasonable, having given it some publicity, that we should be able to assume that within this industry there will be some knowledge of the report and that the people who want to respond will be coming forward. Any interested person can come forward and make representations in this regard. Publicity is obviously the sensible way to bring this to their attention.

It is fair enough to give those interested a matter of weeks, perhaps a matter of several months, to formulate their response. We in turn are going to be hardening our own position on the negotiations as the year goes on. It would obviously be advisable if they responded as quickly as they could.

Mr. Stevens: The minister refers to publicity having been given to the tabling of this report by the Tariff Board. I ask this advisedly. Will the minister now advise precisely what was the nature of the publicity the Tariff Board gave to the report?

Mr. Macdonald (Rosedale): Mr. Chairman, there was a press release and a notice of where copies of the report could be acquired.

Mr. Stevens: Is the minister aware that the total number of copies available was 40, in spite of the fact that at one time almost 200 concerns were interested in what the Tariff Board might have to say?

Mr. Macdonald (Rosedale): Mr. Chairman, I think I will have to check on the accuracy of that. I would certainly be prepared to question it.

Mr. Stevens: If I understand it correctly, the minister intends to wait a few months until, as he says, he hardens his attitude.

[Mr. Macdonald (Rosedale).]

Mr. Macdonald (Rosedale): Position.

Mr. Stevens: What exactly then is the process? I take it this may or may not be dealt with at Geneva, depending on how his process hardens. Is that correct?

Mr. Macdonald (Rosedale): Yes.

Mr. Stevens: May I get to the more general question of what is being changed in Bill C-55. Will the minister give us an indication as to how he decides, notwithstanding the Geneva negotiations, to change certain items but not to change other items? For example, I notice that peanut butter in this bill is now going to be free of any tariff whatsoever.

In Bill C-15, which was given first reading October 22, 1976, peanut butter was subject to a tariff of two cents in so far as the British preferential tariff was concerned, two cents in so far as the most favoured nation was concerned, and seven cents on the general tariff. That is all per pound.

What caused the minister in the case of peanut butter to say we will change the tariff as of now, whereas in so far as the computer industry, the small boats industry and what not are concerned, this is something to be dealt with only in Geneva?

Mr. Macdonald (Rosedale): Mr. Chairman, I dealt with this earlier today. This was an item dealt with at Geneva. As I indicated in my statement earlier today, as part of the multilateral trade negotiations it was agreed that a range of products of specific interest to the developing countries would be dealt with on an early basis and would not be held up until the end of the negotiations under the MTN. This peanut butter item happens to be one of them, as indeed are quite a number of products, many of them related to products agricultural or other products of a tropical origin.

Mr. Stevens: The minister clarified the situation with regard to peanut butter. Is the list available of what has been left open for tariff reductions with no particular reference to the Geneva negotiations?

Mr. Macdonald (Rosedale): Mr. Chairman, if I can just correct the hon. member, I said it was decided at the Geneva negotiations and the list is in the bill.

Mr. Stevens: May I assume from the minister's response that the entire list is in the bill and the bill includes nothing that is not in the document he is referring to as being exempted by the Geneva negotiations?

Mr. Macdonald (Rosedale): Again I dealt with this on second reading, pointing out the different categories of items being dealt with in the bill. There are three. The hon. member might like to examine the record in this regard. This is the list of items agreed on at the multilateral trade negotiations between the contracting parties and has been included in the bill. There will be further negotiations. It may indeed be that further negotiations might provide a further list of items for the benefit of the developing countries. At the moment this is what has been agreed upon and is included in our law.

Mr. Stevens: That is just the point. What has been agreed upon? The minister's official is nodding his head in the negative. The minister is saying that what is in the bill has been agreed upon. What I am trying to relate is not what the minister said on second reading, but what is in the bill now before us. What specifically has been included in the exemption that the minister referred to with regard to the Geneva negotiations? Is it the entire bill, every item in there or is it certain items and not other items?

● (2130)

When the last tariff bill was before us I directed the minister's attention to item No. 8717-1 dealing with onions. I pointed out that there seemed to be an unfair tariff arrangement between the United States and ourselves in that the duty on Canadian onions going into the United States was one and three-quarter cents per pound while the duty on onions coming into this country, as we can see in the bill before us tonight, was 1½ cents. As that time the minister stated he was unaware of the U.S. duty position. Can he now give us this information? Has he checked it out? If there is this relatively unfair duty arrangement as far as the two countries are concerned can he tell us why we have been going along with a relatively favourable duty position as far as onions are concerned?

Mr. Macdonald (Rosedale): Mr. Chairman, fresh fruits and vegetables are the subject of the Tariff Board reference. As I indicated in response to earlier questions it is a matter which is now open for comment by interested parties in Canada. It is obviously a question which will be included in the negotiations. Whether we shall be able to get reciprocity of treatment is something which will have to await the outcome of the negotiations.

I think it should be said, in general terms, that there is a longer period of the year in which it is to our advantage to import onions in comparison to the period of time in which we would be in a position to export from Canadian production. This is one of the factors to be taken into account in the temporary tariff reductions.

Mr. Stevens: More specifically, though, could the minister tell us whether his research has disclosed that the American duty is in fact higher than ours on produce going into the United States?

Mr. Macdonald (Rosedale): Mr. Chairman, that answer will take just a moment. Yes.

Mr. Whittaker: Mr. Chairman, there is an interesting item on page 29, Schedule III, at the bottom of the page. It has to do with ivory carvings. I refer to the schedule which appears to apply to the developing countries. Would the minister explain what is happening in this connection? Is the tariff going down on this item?

Mr. Macdonald (Rosedale): The tariff is being reduced. Ivory carvings are included in a group of handicrafts which are among the exports of certain developing countries. When imported into Canada they will be given the same treatment as other items under the MFN rate.

Mr. Whittaker: I find it very strange that at this time Canada should be reducing tariffs on ivory carvings. We all know that the United States has placed a ban on imports of ivory and bone carvings done by our Eskimos. It applies to all artifacts made from bone, even though in most instances they are made from fossil and are very old. It makes it difficult for our Eskimo people to trade or sell their products; their market is pretty well confined to Canada. This seems to me to be another example of people who practice a fine art finding other countries banning their products while at the same time Canada is reducing tariffs on similar items coming into Canada.

Mr. Macdonald (Rosedale): Perhaps I might remind the hon. member that this applies to just a specific group of countries, that is, the developing countries. It is part of a policy followed by Canada and other OECD nations under which we have agreed that in order to further the economic development of the developing world we should open our markets to their products. Ivory carvings reflect in a real way the cultural differences which exist in African countries and it does not follow we should in some way exclude them because a third party is excluding a product made by Canadian sculptors.

I must say I regret the exclusion of Canadian handicrafts and believe it to be a rather foolish practice. However, it does not seem to me we should take revenge on developing countries just because certain Canadian exports happen to be handled in this way. If this involved perfectly standard goods where there was no difference in utility, quality or style from one to the other, there might be some validity to the argument. But ivory carvings are obviously a reflection of a culture, and in that sense one who is interested in Eskimo carvings might not necessarily be interested in these ivory carvings. When you get right down to it, I suppose it is really a case of whether you wish to help the developing countries or not.

Mr. Lambert (Edmonton West): Mr. Chairman, it is not my intention to introduce a discordant note, but perhaps the minister could give us the timetable he has in mind as to the changeover in the customs tariff to the metric system. We are already dealing with kilograms while at the same time referring to ounces and pounds. It is my understanding that in September we are to adopt the linear metre in Canada. I think that somewhere here I could undoubtedly find some reference to the inch, the foot, and the yard. Perhaps the minister could tell us when it is planned to convert into the metric system.

Mr. Macdonald (Rosedale): No specific date has yet been determined. I think we may be looking as far ahead as two years from now.

Mr. Clarke: Mr. Chairman, I have had a chance to look at item 69315-1 concerning articles produced more than 50 years prior to a certain date. I should like to ask whether the word "articles" does, in fact, include automobiles, and whether the

word "goods" used on page 36 of Schedule IV, the first word in tariff item 70320-1, also includes automobiles?

Mr. Macdonald (Rosedale): The answer to both questions is yes.

Mr. Clarke: May I also inquire whether any provision has been made in connection with parts and tires for these automobiles? I asked earlier about the "class or kind" wording and I note that the wording used on page 34 in reference to aircraft engines is "when of types or sizes not made in Canada". Further down on the same page, referring to parts for metric conversion, I see the wording "parts when of types or sizes not made in Canada". I am not sure what the difference between "class or kind" and "types or sizes" is. What about parts for these old cars which are now able to come in free?

● (2140)

Mr. Macdonald (Rosedale): Such parts if recently manufactured would not, of course, be antique and would have to be dealt with in the normal way under the tariff.

Mr. Clarke: I see that argument, but what about the idea of class or kind and types or sizes not made in Canada? Will that not apply to parts for these old automobiles?

Mr. Macdonald (Rosedale): It will depend on the type of tariff item they come in under. It may or may not have that kind of qualification.

Mr. Clarke: Another item which has been brought to my attention is 70320-1, having to do with goods acquired by a former resident of Canada returning to Canada. I suppose my question hangs on the interpretation of the word "acquire" which appears in the phrase "was acquired after March 31, 1977". It may be strange, but I have two constituents who both find themselves in the position of taking a year's leave from Canada. Obviously this was planned for some months; you do not plan this kind of thing in no time at all. Both had gone on the basis of the existing tariff and had acquired boats or yachts, one from England and the other from Korea. In any event, these vessels were acquired, they think—at least, the money was paid and the contract signed—prior to March 31. They are now very concerned because they have not yet taken delivery but the acquisition has been made. Will these vessels be subject to duty on the excess value over $7,500, or will they be admitted under the old tariff?

Mr. Macdonald (Rosedale): I am being asked to give a judgment in a particular case. I think it would be wiser to have the full facts, and if the hon. member would write me a letter I would be prepared to get an opinion from National Revenue in this regard. In general terms, Mr. Chairman, acquisition assumes the taking of possession, but there may be facts which could support another interpretation.

Mr. Clarke: I thank the minister for that answer. On my advice these individuals have written to the department for an answer, but I thought this was the opportune time to ask about the meaning of the word "acquired".

One final item I wish to speak to is item 69605-1. I have an idea that this item was the subject of debate in the last go-around on the Customs Tariff. It deals with scientific apparatus. My question is this: is this item the answer to the incredible paper work burden that was to have been placed on universities and other charitable organizations which found themselves needing to import scientific apparatus?

Mr. Macdonald (Rosedale): Yes, Mr. Chairman, the hon. member is quite right. This was the subject matter of debate in the last budget and we think this now meets that concern.

Mr. McCain: Mr. Chairman, earlier I asked the minister whether he had made any studies of the effectiveness of duties on imported agricultural products relative to the effectiveness of duties in markets to which our agricultural products are shipped. Let me give the minister one example and then ask him a question. Unfortunately I have one sheet of figures missing but I think my figures are roughly correct.

The tariff on peaches entering Canada was reduced from 18 per cent to 6.5 per cent over the last 25 years. Has the specific duty on a per pound basis remained constant? I believe the duty on canned peaches, for example, exported to the United States in dollars and cents terms has varied from 48 cents a case to $1.62 a case in the last 25 years. In view of the fact that the *ad valorem* duties applied by our major trading partner have become more effective in dollars and cents while ours have remained constant in dollars and cents but have declined in effectiveness, would the minister undertake a study to determine the impact upon agricultural production in Canada? We are using specific duties while markets to which we export are, in the main, using *ad valorem* or percentage rates on our products.

Mr. Macdonald (Rosedale): Mr. Chairman, as to whether a specific study will be undertaken, I think I can only go as far as saying that I will consider it. I point out that the Board has sought to deal with this problem, so far as peaches are concerned, under item 9211-1, which states that the MFN rate is three cents but not less than 12½ per cent. So we have, if you like, placed a floor of an *ad valorem* rate underneath a specific duty.

Mr. McCain: In view of the fact that in 1950 Canada imported roughly 17½ million pounds of peaches, while in 1975 we imported more than 101 million pounds of peaches, an increment of almost sixfold, and in view of the impact that this has on agriculture, would the minister treat this and other agricultural items as, for instance, penknives, pencils, and dozens of other miscellaneous items which do not create a major employment opportunity but are protected by duty, and give them comparable treatment? The minister has referred to negotiations which are going to take place in the Geneva talks. Would he approach former customers, present customers, and customers who have actually closed the doors on us, and determine whether or not we can have an equal trading

opportunity? I do not believe that agriculture is asking for anything more than an equal trading opportunity.

I think we are justified in asking for this and should have to pay a price. When we discuss duties with the United States we should tell the United States we would like an equal trading opportunity for products which we can produce, since we buy from them tens of millions of dollars worth of oranges, grapefruit, lemons, grapes, seed potatoes, and so on down the list. These are items which we cannot ship to them. I suggest our balance of trade in food items with the United States would be no more than fair were we to ask that duties be identical in effectiveness. They are reasonable, fair minded people, and I think this is a reasonable approach.

Mr. Macdonald (Rosedale): I would agree that it is, Mr. Chairman. We should, as I said earlier, seek to get reciprocity in these products, particularly where you have the example of the duty being higher than ours. With regard to the specific duty referred to, subject to confirmation I would say that would have been one which was bound under GATT as a result of the GATT negotiations in the late 1960's. In effect, we took the tariff system which existed then and at the same time bound those rates. We were not in a position to change them because they were international undertakings. As I said in my first response, the Tariff Board in its recommendation has sought to put agricultural products with *ad valorem* floors on the same basis as manufactured products.

• (2150)

Mr. McCain: We need the same basis as on those items we trade with the United States. We need comparable protection. Our farmers deserve it, as well as the manufacturers of pencils or the manufacturers of clothing.

Clauses 1 to 7 inclusive agreed to.

Schedules I to V inclusive agreed to.

Title agreed to.

The Acting Speaker (Mr. Turner): Shall the bill carry?

Some hon. Members: Carried.

Bill reported.

Hon. Donald S. Macdonald (Minister of Finance) moved that the bill be concurred in.

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved that the bill be read the third time and do pass.

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

Some hon. Members: Agreed.

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

Mr. Paproski: How do you like that for co-operation from the opposition? You had better thank us.

Excise Tax

Mr. Macdonald (Rosedale): Mr. Speaker, as the hon. member has said, I had better thank them. I would have said that without his urging, in any event. In light of the hour I wonder if we could call it ten o'clock rather than going on to the next item?

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, if the minister has a statement with regard to Bill C-54, perhaps he could put it on the record and then it would be available to the members of the House. I think it would take the minister approximately four minutes to put his statement on the record.

* * *

EXCISE TAX ACT (NO. 2)

Hon. Donald S. Macdonald (Minister of Finance) moved that Bill C-54, to amend the Excise Tax Act (No. 2), be read the second time and referred to the committee of the whole.

He said: Mr. Speaker, in the budget of May 25, 1976, I announced the government's intention to extend the air transportation tax to apply to an additional 2.3 million travellers who use Canadian airports annually. Although these air travellers make much the same use of Canadian facilities as taxable Canadian travellers, they do not currently pay the Canadian air transportation tax because they purchase their tickets outside Canada. Now, as a consequence of the amendments proposed in Bill C-54, they will be taxed in a manner which closely parallels that which applies to Canadians.

When first I announced the government's intention to extend this tax, I indicated that implementation would be preceded by consultation with interested parties to identify potential problems and difficulties. This process of consultation has now largely been completed, and it is proposed that the extension be made effective on November 1 of this year. This delay in coming into force will provide a necessary opportunity for the air carriers to make required alterations to their systems and procedures to implement the tax. As indicated in the ways and means motion, the tax will be extended to apply to any amount paid outside Canada for air transportation involving a departure from a Canadian airport for a destination outside Canada. This will ensure that all users of Canadian air facilities contribute in an equitable way to the upkeep of these facilities.

This bill also contains measures to change the current 12 per cent federal sales tax on gasoline and diesel fuel to an equivalent specific levy. The change is proposed in order to correct administrative and compliance difficulties which have existed for a number of years. The Excise Tax Act currently imposes a 12 per cent sales tax on the sale price of gasoline sold by manufacturers, and deems an importer of gasoline to be the manufacturer. Because of the nature of the petroleum industry, however, gasoline and diesel fuel are sold by manufacturers at a number of different levels of trade and at widely varying prices. The value for tax thus ranges from a very low level on inter-refinery sales to a relatively high level on sales to consumers through manufacturer's retail outlets.

In order to maintain a reasonable degree of equity and neutrality, Revenue Canada has allowed manufacturers to account for tax on all sales of gasoline and diesel fuel on the basis of weighted-average price determined periodically by Revenue Canada. The status of the resulting determined value is, however, uncertain under the law. I have therefore decided that, in recognition of the rather unique circumstances of this homogeneous product, and for greater certainty under the law, the statute should be amended to provide a series of specific levies to apply to the different grades of gasoline. The specific levies indicated in the motion and again in this bill are at the same rates which were put into effect by Revenue Canada on March 2, 1977.

The remainder of the bill deals with a series of relatively minor technical amendments designed to correct loopholes in existing provisions of the statute or to extend sales tax relief to certain users of products where a strong case for tax relief exists. In particular, the bill provides for the extension of the period within which a person may apply to recover tax by way of refund, deduction, or other payment, from two years to four years in the general refund provisions of the Excise Tax Act. This extension will apply to applications other than those which have expired on or before March 31, 1977.

In conclusion, Mr. Speaker, this bill seeks to implement the proposals contained in the ways and means motions of March 31 and April 18, 1977. With the exception of the extension of the air transportation tax, the proposed amendments are all relatively minor in nature, the emphasis being placed on correcting anomalies rather than making significant modifications in the scope or application of the federal sales tax. I would remind honourable members, however, that in conjunction with the budget, my colleague, the Minister of National Revenue (Miss Bégin), announced that the small manufacturer's regulation would be altered in such a way as to raise the exemption from sales tax which it provides from $3,000 to $10,000 of sales and to provide an exemption from sales tax on the products of certain Canadian craftsmen.

Hon. members will want to discuss the provisions of the bill in detail, and I will be glad to do so at committee stage.

* * *

BUSINESS OF THE HOUSE

Mr. Paproski: Mr. Speaker, I would like to direct a question to the Parliamentary Secretary to the President of the Privy Council (Mr. Goodale). Will Bill C-54 be the first item of business on Friday of this week, since Wednesday and Thursday are going to be opposition days?

Mr. Goodale: Yes, Mr. Speaker, we will continue with Bill C-54. My understanding at the moment, if we are successful in completing that during the day on Friday, is that we will proceed with the item of business previously announced, which is the Bretton Woods legislation.

[Mr. Macdonald (Rosedale).]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AGRICULTURE—BRUCELLOSIS—POSSIBILITY OF RETURNING TO VACCINATION PROGRAM

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, on April 4, 1977, as reported in *Hansard* at page 4594, I asked the Minister of Agriculture (Mr. Whelan) about the situation regarding brucellosis and if he intended to return to vaccination. He said at that time that there has been a decrease in the number of affected cattle. Having looked up the statistics, I disagree with him, and I believe I can prove to him that some of the statistics he received were not up to date.

• (2200)

I am interested in the subject of vaccination for brucellosis. I ran a medical clinic, and we treated one of the early cases of undulant fever in a human being. That is a disease which can be contracted by human beings. They can be very sick or they can be chronically ill and still be working. It affects the bone. I remember one young veterinarian who contracted the disease. He had pain in his hip, and after we did a blood test the final diagnosis was that he had undulant fever with osteomyelitis. As I have said, in human beings it can cause very severe illness, and it can even be fatal. Of course some do not become so ill.

Back in 1953 brucellosis was running rampant, and many cows lost their calves through abortion. To overcome this, compulsory vaccination was adopted. That was commenced in 1956. This was carried out by the Health of Animals Branch of the Department of Agriculture without cost to the farmers. Reactors were shipped. Doubtfuls were re-tested. The stables were all disinfected and cleaned.

By 1964 the point was reached where some areas were able to be certified. This was in areas where only 5 per cent of the herds reacted and not more than one per cent of the animals were infected. With this very low incidence the disease appeared to be on the way out. Then the Brucellosis Act was introduced in 1965, and that terminated compulsory vaccination. Both the provincial governments and the federal government were involved in that act. From that date on fewer calves were vaccinated. In other words, vaccination of calves was discouraged because of the markets in some areas where calves were being shipped. Some calves were sold as cows and some of them would occasionally react, so some countries did not want to buy them. From that date on fewer calves were vaccinated.

From 1969 to 1973 it appeared that the disease was remaining under control, and there was a false sense of security. In 1969, for instance, 211 herds were affected. In 1972, 209 herds were affected. Both levels of government were in favour of the

eradication program which de-emphasized vaccination. During this period of time compensation paid for the animals which were destroyed was rightfully increased when they had to be shipped.

The federal government kept supplying the vaccine, and some of the good dairy farmers kept vaccinating, but of course they then had to pay for the vaccine. In 1953 when this plan was started, we were vaccinating 400,000 calves per year, and the Health of Animals Branch was paying the cost of this. However, all at once outbreaks started to recur, and here in eastern Ontario we probably had the first outbreak. Then there were other minor outbreaks. These were more insolated cases occurring in western Ontario. So at the end of 1973, 48 herds were removed. In 1973 there were 1,038 reactors. It is interesting to note that in 1974 there were 337 herds under quarantine, an increase of over eight times in the space of one year. The reactors, from January 1 to September 30 of that year, were 3,168, a ten times increase. Therefore the evidence shows that we have a return of a disaster that we thought we had conquered. Instead of that, from January to March of this year there have been 50 newly infected herds found. Multiply that by six and you get 300 new herds per year.

I would point out to the minister that this sort of thing has happened in the field of human medicine. We stopped vaccination and had to go back to it. I believe that we have to return to vaccination in Ontario and the rest of Canada. There has been a division of opinion between the Ontario government and the federal government. The Ontario government believes we should return to vaccination but the federal government does not.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but his allotted time has expired.

Mr. Rynard: Mr. Speaker, I have just stated that we have had this large increase and it must be met by different means than we have now.

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, as Parliamentary Secretary to Minister of Fisheries and the Environment (Mr. LeBlanc) it is a special pleasure tonight to reply to the hon. member on behalf of the Minister of Agriculture (Mr. Whelan).

I am pleased to have this opportunity to elaborate on the brucellosis eradication program which is being conducted in Canada by Agriculture Canada.

The hon. member for Simcoe North (Mr. Rynard) suggested in his question of April 4, 1977, that a renewed emphasis on the calfhood vaccination program might now be in order, given the increased number of herds under quarantine recently for brucellosis. The hon. member will be glad to know that a meeting has been scheduled for June 16 in Winnipeg at which this issue will be fully explored by government and industry representatives. Nevertheless, I would like to stress the fact that brucellosis will never be completely eliminated from the Canadian cattle population by the use of a vaccination program only. Not only may the presence of the vaccination mask the disease in the herd, but the vaccination itself is only effective in about 65 per cent of animals vaccinated. However, the department does recognize that a vaccination program may be justified in certain instances, and for this reason has continued to supply vaccine free of charge to veterinarians.

The national test and slaughter program was begun in 1957 at which time the infection rate of the Canadian herd was at 4.5 per cent. This has now been reduced to approximately two tenths of 1 per cent—an evident success. In addition, the brucellosis milk ring testing program and the market cattle testing program will play a part in the eradication of this disease in Canada. Furthermore, additional measures were implemented this year, such as the registration of livestock dealers' premises and mandatory testing of cattle sold at farm auctions. In 1976-77 a total of 2.2 million blood samples were drawn from farm animals. This is significantly greater than any year in the past.

It is correct that there has been an increase in the number of herds in quarantine in the hon. member's riding in recent months. This is a direct result of the general area test of every herd which was begun in November, 1976. Herds under quarantine often include only suspicious or one or two reactors or are awaiting 30-day or 90-day, or disinfection clearance. It is hoped that with the co-operation of all concerned this disease can be eradicated from all regions of Canada, including the hon. member's area, where a full thrust toward eradication is now in process.

ENVIRONMENTAL AFFAIRS—DRILLING IN BEAUFORT SEA—POSSIBILITY OF COMPLAINTS FROM OTHER COUNTRIES ABOUT RISK OF OIL SPILL AND CO-OPERATION ON CLEAN-UP

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, the reason I ask that this matter be dealt with this evening is because of the minister's answer to a question I asked on May 10. My question arose to a large extent from information contained in the Berger Report. At that time the minister said that he had not had a chance to read the report. I assume that he has now read the report and can provide complete answers on the issues raised.

In the time that I have been in this House, Mr. Speaker, I believe there have been two events that may or may not change the course of history in Canada. One was the air controllers' issue, and the second, the filing of the Berger Report which has made a valiant effort to tell us something about ourselves.

Basically I asked the minister to deal with four matters raised in the report. One was the possibility of a circumpolar conference. The other was the response to the proposal concerning a national wilderness park, to be located on the north slope in the Yukon, which would be the counterpart of the park on the Alaska side. The other question asked for a response with regard to the provision of a whale sanctuary, which seems to be necessary. Lastly, there was a question concerning the provision of a bird sanctuary in the Mackenzie Delta.

● (2210)

It is useful to examine some of the things the report says, and to consider some of the intensive studies which have resulted from some of the proposals in the report. I hope the parliamentary secretary can enlighten the House as to what specifically the government is doing to move forward the implementation of those particular recommendations so vital and important to the north.

The Berger Report makes some interesting observations on Beaufort Sea drilling. The most interesting of those observations concern the problems of production which would arise after, presumably, the oil or gas is found; because at that point the risks become even greater than they are at present when drilling is under way. Examining this question, Mr. Justice Berger assessed the evidence concerning the risks confronting not only Canada, but adjacent countries as well. I will quote that part of the report couched in the form of the preliminary letter to the minister. Mr. Justice Berger wrote:

Therefore, I urge the Government of Canada to ensure that improvements in technology for prevention of spills and development of effective technology for containment and cleanup of spills precede further advance of industry in the Beaufort Sea. I further urge that advances in knowledge of the environmental consequences of oil spills should likewise keep ahead of offshore development. Here I am referring not only to impacts on mammals, birds and fish in the Beaufort Sea area but also to the possibility that accumulation of oil in the Arctic Ocean could affect climate. In this I am referring to the possibility that oil spills from offshore petroleum development by all the circumpolar powers could diminish the albedo (the reflective capacity of ice), causing a decrease in the sea ice cover and hence changes in climate. Canada should propose that research be undertaken jointly by the circumpolar powers into the risks and consequences of oil and gas exploration, development and transportation activities around the Arctic Ocean.

Surely all members of the House will support such a constructive proposal. Canada, the first nation to drill in the Beaufort Sea, should be the host nation for a conference of circumpolar powers. Through such a conference we could (a), obtain reliable evidence with respect to the potential of the albedo effect and (b), share our technology with others for the clean up of the oil spill which will inevitably occur in that environmentally sensitive area.

The minister indicated that so far as he could recall he had received representations only from the United States. I know the United States is most concerned about the risk of damage to its own environment, which is why that country is not drilling in the naval reserves off the coast of Alaska. They are concerned because they know they do not have the necessary technology, and they want Canada to guarantee that our drilling will not destroy their environment. Surely, at the very least, we should provide that guarantee to the United States. As well, we should provide the forum for an international conference which can assess the risks we are taking.

I am speaking not only of the risk of damage to the climate of the Arctic Ocean and the North American continent, but of the possible risk of damaging the climate of planet earth itself. I know that sounds a bit like science fiction. But let me say that reputable scientists are most concerned, because if we spill enough oil in the Arctic and if we change the reflective capacity of the ice, we could change the climate of the planet. That is too high a risk to take.

[Mr. Leggatt.]

I am hoping the minister will have some positive response at least in terms of the initial proposal of an international conference made by Mr. Justice Berger. Also, I hope the minister will give us some idea of how long it will be before we see legislation which sets up a national wilderness park, something Alaska has already done and is in the process of improving.

We have legislation which says once and for all that we are going to protect the whales in the Beaufort Sea. Fortunately, we are not now drilling in that area so we can do it. We have legislation for a bird sanctuary in the Mackenzie Delta. All of these things are absolutely vital if we are going to do what Mr. Justice Thomas Berger asked us to do, which is to look at ourselves, ask ourselves what kind of people we are, and then move in a civilized and constructive way in developing our north consistent with a civilized ethic.

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, I will try to respond as fully as I can in the very brief time available. As I am sure the hon. member is aware, the time allotted for my response is less than half that which he had to set down his concern on the question of the circumpolar conference. I know that the minister is well aware from the hon. member's question of several days ago of his representation. I am sure he will give it every consideration.

Because my time is brief, I want to deal directly with the American-Canadian situation.

As had been agreed with the United States in 1976, discussions took place with United States officials earlier this year in order to provide them with full information on Beaufort Sea drilling operations in 1976 and plans for 1977. The United States subsequently reiterated its concerns regarding possible effects on United States interests of such drilling operations. These concerns are being taken into account.

On the question of compensation in case of damages to the United States resulting from an oil spill, arrangements were established last year to provide remedies for potential United States claims resulting from Canadian operations in the Beaufort Sea should they proceed. As a part of ongoing discussions, consultations are taking place this year with a view to making available to potential United States claimants, on the basis of reciprocity, the legal remedies related to compensation for pollution damage available to Canadians under the Arctic Waters Pollution Prevention Act.

In addition, we are in the process of finalizing a joint Canada-United States oil spill contingency plan, which is now considered to be operational.

The Berger Report is a comprehensive and in depth study of the Canadian north. It took more than two years of intensive work to prepare. My minister obviously wants to give himself and his officials a reasonable chance to review it and also to consider related reports, some not yet available, on this general question, before making known his views.

I appreciate that the NDP has often been credited as being a party that is a little ahead. There is nothing wrong with taking an early and aggressive stand on a report as important

as the Berger Report, but surely the minister and his officials must have a reasonable amount of time to digest that report and other related items before reaching the important conclusions proposed by the hon. member opposite.

The Acting Speaker (Mr. Turner): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

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

80016—24½

HOUSE OF COMMONS

Wednesday, May 18, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

CENTRAL MORTGAGE AND HOUSING CORPORATION

REQUEST FOR MEASURES TO ENSURE CONTINUED OPERATION OF YWCA IN WHITEHORSE—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that seven years ago CMHC funded the YWCA of Yukon in Whitehorse, in light of the fact that they have been given notice of the appointment of a receiver on May 24, 1977, and realizing the critical nature of the roles of the YWCA in the lives of the people of the Yukon at a time when the aluminum industry development is certain and with a strong possibility of a pipeline, I move, seconded by the hon. member for Brandon-Souris (Mr. Dinsdale):

That this House direct the Minister of State (Fitness and Amateur Sport) to immediately launch a full investigation into all aspects of this issue with the view to provide adequate funds to ensure the continued viability and operation of the YWCA of Yukon.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

OLD AGE SECURITY ACT

PROPOSED AMENDMENT TO PROVIDE PAYMENT EQUAL TO SPOUSES' ALLOWANCE TO PERSONS OF SINGLE STATUS BETWEEN 60 AND 65—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the difficulty still being faced by about 200 spouses every month who, before they reach 65, become widows and lose their allowance and in view of similar difficulties faced by other persons of single status between 60 and 65, I once again ask the House under the provisions of Standing Order 43 for consent to present a motion. I therefore move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House urges the government to introduce without delay an amendment to the Old Age Security Act to provide for the equivalent of the spouse's allowance to be paid as well to widows, spinsters, widowers and bachelors between the ages of 60 and 65, provided they are out of the labour market.

Mr. Speaker: The presentation for debate of such a motion pursuant to Standing Order 43 can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*Translation*]

HOUSE OF COMMONS

POSSIBILITY OF OPENING AND ADJOURNING SESSIONS AT FIXED DATES—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion on a very important matter.

Considering that once more this session is running the risk of being extended into the middle of summer; that it would be greatly advantageous for all Canadians if sessions of Parliament were held at fixed periods of time; and that most parliamentarians, if not all, approve this idea, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the House instruct the Committee on Procedure and Organization to hold a meeting as soon as possible to consider the advisability of holding sessions of Parliament at fixed periods of time in the future and also to set dates for holidays and other statutory holidays to allow parliamentarians to be with their families during holidays and thus have a better organized life.

Mr. Speaker: Order. Pursuant to provisions of Standing Order 43, the presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Oral Questions

[*English*]

NEW ENTERPRISE DEVELOPMENT BOARD

SUGGESTION BOARD DISCUSS WITH NEWFOUNDLAND GOVERNMENT REHABILITATION OF LINERBOARD INDUSTRY—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I, too, wish to move a motion under Standing Order 43 on a matter of urgent and pressing necessity concerning a subject which I have brought up almost on a daily basis. The worsening situation as a result of the impending closure of the Labrador linerboard mill in Stephenville, Newfoundland, demands that every avenue be explored in devising suitable strategies to rehabilitate the economy of the area. I would therefore move:

That this House order the Minister of Industry, Trade and Commerce to direct that officials of the New Enterprise Development Board initiate discussions with the government of Newfoundland with a view to providing assistance in the rehabilitation of the linerboard industry in line with the program's objectives to make firms more viable and internationally competitive.

Mr. Speaker: Presentation of such a motion can be made only with unanimous consent. Is there such consent?

Some hon. Members: No!

* * *

TRANSPORT

REQUEST FOR STATEMENT ON GOVERNMENT POSITION ON CROWSNEST PASS RATES—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. I move, seconded by the hon. member for Lisgar (Mr. Murta):

That in view of the statement made on national television yesterday by a member of the federal cabinet that the cabinet should accept the recommendation of the Hall Commission in connection with the retention of the statutory Crowsnest Pass rates, this House direct the Prime Minister to make a statement on motions forthwith outlining the government's commitment to this recommendation of the Hall Commission.

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

Some hon. Members: No!

ORAL QUESTION PERIOD

[*English*]

ENERGY

NORTHERN PIPELINE—REQUEST FOR ASSURANCE OF DEBATE ON ALL RELEVANT REPORTS PRIOR TO DECISION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is directed to the Prime Minister. It concerns the crucial issue of the necessity for a full parliamentary debate with respect to the Mackenzie Valley pipeline, or a northern pipeline, which the government House leader, who really missed his true calling as an illusionist, has dangled before us without handing us anything of substance with respect to the matter. In view of the statement by the House leader on Friday that all relevant reports must be taken into account, would the Prime Minister assure the House that his House leader meant what he said and that parliament must be allowed to debate all relevant reports, including the Lysyk report, before a government decision is taken?

Right Hon. P. E. Trudeau (Prime Minister): I think the answer given by the House leader was very clear and I support his position.

NORTHERN PIPELINE—SUGGESTED RECONSIDERATION OF REJECTION OF PARLIAMENTARY CONSIDERATION

Mr. Walter Baker (Grenville-Carleton): I take that to be a commitment by the leader of the government that parliament will have an opportunity to debate and decide before all decisions are taken with respect to the pipeline. In view of the commitment which has now been given, I have a supplementary question. There was a proposition put forward under Standing Order 43 by the Leader of the Opposition in which he gave a detailed proposal for the examination of the evidence by a special committee which would serve as collator and distiller of the various inquiries which have been made, drawing conclusions from the totality of the evidence and bringing its findings before the whole House. Has the Prime Minister reconsidered the government's rather peremptory rejection of the proposal when the motion was put by the Leader of the Opposition and members on the other side said no? Would he reconsider the objections from the point of view of the government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not see any argument in the question for changing the position of this side of the House on that matter. We undertake to permit parliament to express its views. I do not know what the suggestion of the Leader of the Opposition is, that we set up a committee. It seems to me that the House itself can express its own views without going to a committee.

ALCAN PIPELINE—POSITION OF GOVERNMENT ON NECESSITY FOR ENVIRONMENTAL STUDY OF ROUTE

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I have a question for the Prime Minister further to those of our House leader. On April 19 the government announced the formation of an environmental assessment panel in connection with the implications of the Alaska highway gas pipeline proposal, which is to report by August 1. The Minister of Energy, Mines and Resources stated in a CBC interview on May 17, while he was flying over the Alaska highway, that he could not see why there would be any great environment problems about building the Alcan line when a road has already been built. Is the Prime Minister accepting this assess-

ment and dissolving the environmental assessment panel, and if he is, does this indicate that the government has already made a decision to permit a gas pipeline to be built, as suggested by the Alcan group?

Right Hon. P. E. Trudeau (Prime Minister): Not at all, Mr. Speaker. The Lysyk committee was set up with the authority of the full cabinet, of course supported by the Minister of Energy, Mines and Resources. I think his word should be taken at face value. He could not see any difficulty, flying at the height that he was.

Some hon. Members: Oh, oh!

An hon. Member: He is a high flyer.

Mr. Trudeau: I am informed that he was flying very low and able to see quite well. This is one man's flying opinion, and it will not detract from the Lysyk committee report.

Mr. Crosbie: A supplementary question, Mr. Speaker. Is the Prime Minister suggesting that the minister suffers from ozone sickness or Yukon euphoria? Would the Prime Minister agree with a statement made by Mr. Templeton of the environmental impact group who has condemned the minister for being reckless and irresponsible and suggested that he should make an appraisal of what his job is? Would the Prime Minister agree with this assessment of Mr. Templeton and will he instruct his minister to cease emulating the leader of the NDP in prejudging the gas pipeline issue?

* * *

GOVERNMENT ADMINISTRATION

POSSIBILITY OF NOVA SCOTIA BENEFITING FROM DECENTRALIZATION PLAN

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is addressed to the Prime Minister in the absence of the Minister of Industry, Trade and Commerce, who is also in charge of the government's decentralization plans. Yesterday in his announcement concerning the movement of some 15,000 civil servants from Ottawa to Hull the Minister of Public Works said, to quote him, that "this development has accompanied government plans to move some branches of the public service to areas of chronic unemployment in Canada". Since chronic unemployment areas in Quebec, New Brunswick, Prince Edward Island and Newfoundland have already benefitted from this federal policy, when is Nova Scotia going to get some of these decentralized clerical jobs?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I take it that the hon. member is making a representation. I can assure him that Nova Scotia has a strong and powerful voice in cabinet and that this voice has already been heard.

Mr. Hogan: A supplementary question, Mr. Speaker. I am sure I can agree with the Prime Minister that at times we have a very strong representation in the minister that he is implicitly mentioning, but I want him to know that the area with the most chronic unemployment in the whole of Nova Scotia is Cape Breton Island. The government promised some jobs but we are not getting them, and I should like to know why.

* * *

● (1420)

[*Translation*]

CANADIAN BROADCASTING CORPORATION

POSSIBLE PURCHASES OF STATION CJBR AT RIMOUSKI

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the Minister of Communications.

Would she be in a position to tell the House whether some new facts have occurred as regards the CBC in Rimouski?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, the hon. member would like to know whether I am in position to announce the purchase of station CJBR. If such an announcement is made, it will surely be by the Secretary of State who is responsible for the CBC. However, I will be going to the Gaspé Peninsula next week and I fully expect to be in a position to explain to the people of that area that the purchase of station CJBR is a bridge-head for the two French services in the Gaspé Peninsula and northern New Brunswick, and perhaps also the north shore.

* * *

[*English*]

IMMIGRATION

QUEBEC PROPOSALS FOR CONTROL—GOVERNMENT POSITION

Mr. Jake Epp (Provencher): Mr. Speaker, in view of the absence of the Minister of Manpower and Immigration, I would like to direct my question to the right hon. Prime Minister. In view of the scheduled meeting of the Minister of Manpower and Immigration with the minister of immigration for the province of Quebec, and in view of the proposals announced by the Quebec government in which they stated that they would be seeking control of immigration, including the power of selection of immigrants, could the Prime Minister tell this House whether those proposals have been received by the federal government? Second, could he tell this House, if they have been received, what the position of the federal government is on those proposals?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know the Minister of Manpower and Immigration will be meeting with the Quebec minister next week, I believe or certainly in the near future, to discuss the Quebec proposals. I have not been informed whether our minister has received an advance copy of them.

As to our attitude, the House knows perfectly well that immigration under the constitution is a joint and shared area

of jurisdiction. It has always been our intent to co-operate with provincial governments, every provincial government, in this field. This will continue to be our attitude with the province of Quebec.

Mr. Epp: Mr. Speaker, in view of the Prime Minister's answer to my question, I would like to ask him: in view of the proposals of the Quebec government in the negotiations which are to take place on May 27, will the federal government insist in those negotiations that the selection of immigrants and the right of entry of immigrants into Canada will be retained by the federal government?

Mr. Trudeau: Mr. Speaker, I can assure the hon. member we are not giving up our right. We have in the past and we will in the future exercise that right in co-operation with the provinces, which also have a right under the constitution.

REQUEST FOR ASSURANCE THAT ANY RIGHTS GIVEN QUEBEC WILL BE GIVEN TO OTHER PROVINCES

Mr. Jake Epp (Provencher): Mr. Speaker, on the basis of those rights the Prime Minister has enunciated, could the Prime Minister assure this House and Canadians that, whatever agreements will be made between the federal government and the province of Quebec and whatever the transfer of rights to that province will be, they will also be given to all other provinces in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, of course I can give that assurance. the House knows that as far back as 1969, when Mr. Marchand and Mr. Gabias arrived at an understanding, that was offered to the other provinces. Recently when the present President of the Treasury Board was minister of manpower and immigration, he made an understanding with the province of Quebec. At that time it was suggested that it should be open to the other provinces as well if they wanted to avail themselves of the offer.

* * *

TRANSPORT

AVAILABILITY OF REPORTS ON RISK OF OIL SPILL FROM TANKER TRAFFIC

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Transport. A week or two ago in the House several questions were raised regarding the risk factor in connection with offshore drilling, particularly in the far north. In view of the fact we may be in an either/or situation—on the one hand this type of drilling or on the other increased marine traffic by increased importation of offshore oil—and in view of the fact the Minister of Fisheries and the Environment set a precedent by making that risk factor report on drilling public as soon as it was drawn to his attention, can the Minister of Transport tell the House what reports, either commissioned internally or through consultants, are available to him dealing with the risk factor of increased oil tanker traffic, particularly supertankers? If there are any such reports available to him, will they be made public immediately?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there are a number of internal comments on the various factors which are involved. There has been an examination of the reaction facilities we need in order to deal with marine emergencies, including oil spills. In half an hour I am planning to table in the House a report and an analysis of the new coast guard facilities for dealing with these varied emergencies.

Mr. Jarvis: Mr. Speaker, perhaps the minister misunderstood me. I am talking about the risk factor involved in connection with marine traffic as compared to the risk factor in drilling. Perhaps those statistics are not available. If the minister has not already done so, would he contact his counterpart, the Secretary of Transport in the United States and secure from him, if he has not already done so, whatever information is available to Secretary of Transport, particularly reports prepared by the National Academy of Science in the United States.

Mr. Lang: Mr. Speaker, if the hon. member re-reads my answer he will see that I dealt with that part of his question in the first part of my answer, indicating that there are a number of internal duties. Of course, the United States is planning to put positions forward in the international meetings that will deal with the over-all question of these risks. I also indicated to the hon. member that we have taken action to deal with emergencies here that may arise from oil spills of all types including those, obviously, that may emerge from tankers carrying oil.

* * *

THE CANADIAN ECONOMY

REASON QUEBEC DEVELOPMENT HAS FALLEN BELOW NATIONAL AVERAGE—SUGGESTED REFERENCE TO COMMITTEE OF ECONOMIC REVIEW

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. Bearing in mind the recent Toronto *Star* poll which demonstrates an overwhelming concern in Quebec for that province's worsening economic performance, especially from lack of jobs, would the minister explain why in his opinion Quebec has fallen so far below the national average in recent years with respect to economic development and which condition is revealed in the economic review tabled by the minister in the House yesterday?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, it really seems to me that that is a very broad question which I could hardly answer in the cryptic terms of question period.

Mr. Stevens: A supplementary question, Mr. Speaker. In view of the minister's answer, would he be willing to have a reference with respect to the economic review itself to the

appropriate committee of this House so that there can be an intensive investigation into the various things spelled out in it?

Mr. Macdonald (Rosedale): Certainly, Mr. Speaker. I am not sure whether our House leader would agree with me but I would have no difficulty with that.

MEASURES TO RESTORE BUSINESS CONFIDENCE IN QUEBEC

Mr. Sinclair Stevens (York-Simcoe): A final supplementary question, Mr. Speaker. In the meantime while that is being worked out, would the minister indicate what steps, if any, the government has taken to insure there is no further slowdown in the private sector business activity in Quebec and what steps the government intends to take to restore business confidence there which in turn should help to entice new commercial ventures to Quebec?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the hon. gentleman seems to be suggesting some kind of specific control by the federal government over the private sector in Quebec.

Mr. Stevens: No; what enticement are you giving?

Mr. Macdonald (Rosedale): I do not think that is conceivable in Quebec or any other province. I would remind the hon. member that the budget provided federal measures of a fiscal nature both in terms of expenditure and in terms of regional tax concessions which will be of significant advantage to firms operating in Quebec. We must recognize, however, that in light of the language bill now before the Quebec legislature there is bound to be some economic uncertainty.

* * *

CANADA SHIPPING ACT

DATE OF PROCLAMATION OF SECTION DEALING WITH POLLUTION

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is addressed to the Minister of Transport. In view of the fact that Section 736 of part 20 of the Canada Shipping Act, 1971 which deals with financial responsibility in case of pollution and spills, has not yet been proclaimed, would the minister inform the House whether he has this matter under active consideration? If so, could he tell us the date when this section will come into effect?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, my colleague, the Minister of Fisheries and the Environment and I, have been discussing this question. While there are some complications in regard to imposing financial liability, we are looking at the question actively. Until that examination is complete I cannot give the hon. member a specific date.

TRANSPORT

FREIGHT RATES—POSSIBILITY OF SET RATE FOR PAYMENTS TO FLOUR MILLERS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to direct a question to the Minister of Transport arising out of answers which he gave to questions yesterday. In response to a question that I put to him regarding freight rates the minister replied that the government is meeting the problem of stop-off charges in eastern Canada by lowering the stop-off charges in western Canada and supporting the difference by paying funds directly to the flour millers. Is it the intention of the minister to maintain a set rate for flour millers, which at the moment I believe is 7 cents per hundred? In the meantime other charges have gone up, making the total 18 cents, and the millers are footing another 11 cents a hundred. Is it the minister's policy that where he reimburses a miller or a rapeseed crusher, the amount shall remain at that set rate regardless of what happens to other charges or freight rates?

• (1430)

Hon. Otto E. Lang (Minister of Transport): No, Mr. Speaker, and the hon. member's facts are wrong. The government payment has gone up to 15 cents, which at the present time as I understand it, is the most recent differential between the eastern stop-off charge and the western stop-off charge. We have not assured the millers that we can continue tracking the difference in rate in this fashion because of problems of financial restraint, but up to this point we have done so.

FREIGHT RATES—POSSIBILITY OF EQUALIZED SYSTEM

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, yesterday the minister indicated that hon. gentlemen on this side of the House have been reluctant to say, anywhere but in the west, what they mean by equity. We have been advocating a system of equalized and/or subsidized freight rates since about 1933 all over Canada, and I would like to ask the minister if it is going to be his policy upon termination—because he says he wants in the long run to arrive at a better system than the one he is presently stuck with—to have as a long range policy a system of equalizing or subsidizing freight rates for the regions of Canada which are affected because of distance; for example, the Atlantic provinces and western Canada.

Hon. Otto E. Lang (Minister of Transport): Where very specific developmental purposes can be served by lower freight rates, we have recognized the usefulness of them, as we did in our recent discussions with the Atlantic provinces and in the agreement to aim freight assistance specifically at products where that leads to Atlantic development. I cannot, however, share the hon. member's view—which I understand his party can adopt easily—that somehow there is some magic and beautiful solution in transferring from the person who ships goods to the taxpayer the cost of freight. The fact is that those costs do not go away, no matter how much the hon. member

might like to dream and pretend that they do. They are still borne by the taxpayer, and in addition, because they are hidden and not taken into account in our total domestic production pattern, they lead to increases in cost and lower productivity in Canada, which is something we must attack very vigorously indeed.

Some hon. Members: Hear, hear!

Mr. Benjamin: Mr. Speaker, that is the kind of talk we have been getting since 1880.

Some hon. Members: Oh, oh!

Mr. Benjamin: I would like to ask the minister if the government intends to fly not just in the face of what I say or what the NDP says but also in the face of what many organizations, and most recently the Hall Commission, have said? In terms of the use of instruments like the statutory grain rates applying to the finished products, whether it be grain or other kinds of products, does the minister intend to ignore the recommendations of the Hall Commission and continue with the 1890 concept he still embraces?

Mr. Lang: The hon. member earlier said 1880, and I felt that with another three years and the 100th anniversary of hearing it, he might understand what is involved. I did indicate the other day my concern about this particular freight rate issue. I have said repeatedly that I do not want that in any way to detract from the Hall Commission, which was set up very specifically to do a major job for western Canada and which I played a part in setting up. The job it has done has been excellent, and we will be implementing a great number of the proposals of the Hall Commission.

In this particular case I did not point out—and I would like the hon. member to register this—that if there is a suggestion that an artificially low rate well below cost be allowed for the movement of meat, I presume even the hon. member would not suggest that this could be done only for western Canada. It would have to apply all across the country, and I simply say to the hon. member that unlike his leader and the Leader of the Opposition, it may be worthwhile to take a statement like that in a report and calculate what it would cost even before he determines that he would want that cost transferred to the taxpayer. At the very least he should know what it costs and what the economic implications of transferring this cost to the taxpayer are before he decides to support it.

Some hon. Members: Hear, hear!

REQUEST FOR SPECIFIC HALL RECOMMENDATIONS WHICH WILL BE IMPLEMENTED

Mr. Jack Murta (Lisgar): Mr. Speaker, my questions are also for the Minister of Transport, and they also concern the Hall Commission Report. The minister indicated yesterday and he has indicated again today that the government will be implementing some of the recommendations in that report. Yesterday the minister mentioned that some of the recommendations would be implemented before the end of June. I wonder if the minister would give the House some idea of what recommendations the government will be implementing before the end of June, which is just some 40 days away.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I think it would be better to indicate that as we move along with the decisions because while there are some I am sure we are going to be able to implement in that period, there are some others we may very well be able to implement as well, and I would not want to leave them out by mentioning the ones of which we are sure.

Mr. Murta: Mr. Speaker, one of the main recommendations in the Hall Commission Report was the recommendation of a prairie rail authority. Mr. Justice Hall indicated that that was necessary in western Canada if his other recommendations are to be carried forward. I am wondering whether on this specific issue the government will be implementing that recommendation before the end of June.

Mr. Lang: Mr. Speaker, my initial reaction to that proposal is very favourable indeed. It seems to me to make a good deal of sense and to have a great deal of potential. However, the proposal of a new authority or body with some very important powers and a very important influence on the structures in the west is a major idea. While some people raised an idea like that in various discussions before the Hall Commission Report, it does not really come upon the prairies as a new idea in its totality, and I would like to hear from the representatives of farm organizations and from farmers themselves before I form a final opinion as to the implementation of that recommendation.

CROWSNEST PASS RATES—MINISTER'S POSITION ON ABANDONMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask a question of the Minister of Transport. I listened very carefully to his answers yesterday; I read them in *Hansard* and I have listened to his answers today, and it seems to me that his answers to questions refer either to processed products from grain or grain consumed in Canada and the movement thereof. I want to ask a clear-cut, concise question. Is it the minister's policy to abandon the Crowsnest Pass freight rate as set out by the statute and as it applies to export grain?

Hon. Otto E. Lang (Minister of Transport): No, Mr. Speaker.

Mr. Woolliams: Mr. Speaker, I did not hear that answer.

Some hon. Members: He said no.

Mr. Woolliams: Then, I would like to ask the minister whether he will assure the House and the country that because those rates are spelled out in the statute, the statute will not be repealed and left to the whims of orders in council to be enforced by that method.

Mr. Lang: Well, I think that follows very clearly. I have indicated in the west that I consider this very much a western question and that if the kind of money which is involved in the Crowsnest rate is available, it is important for the west to answer why it wants that money to go only to the farmer who ships his grain in the form of grain, depriving the farmer who ships his grain in the form of meat, the benefit of that very same form of assistance. With a given amount of money that question must be asked by the west, and of course, if the idea is that another $500 million or $600 million can be thrown into the pot, then obviously the representative of people in all parts of the country may want to be concerned about that aspect of it. That is why I indicated yesterday that I would just as soon hear what the official policy position of the various parties is on that issue rather than simply hear these localized demands.

Mr. Woolliams: Mr. Speaker, I have one further supplementary question. How does the minister reconcile his first answer with his answer to my second question, because it is a complete distortion of the facts?

Mr. Lang: No it is not, Mr. Speaker. I indicated quite clearly that I have no policy which would affect the Crowsnest rate.

Some hon. Members: Oh, oh!

Mr. Lang: What I said in my second answer is that I have been discussing this with people in the west, and I am certainly receptive to conclusions in the west that some different form of distributing the benefit may in fact be advantageous to the west. I say that is an idea which I believe to be of fundamental importance for the long term in the west, and I am going to go on talking about it even though the political parties opposite keep making cheap political hay by trying to distort my position.

Some hon. Members: Hear, hear!

Mr. Mazankowski: You are in trouble now.

Mr. Paproski: There's got to be an election coming up.

* * *

● (1440)

INQUIRY OF THE MINISTRY

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I should like to question the Minister of Finance about the Economic Review, the picture on the cover being the National Research Council's radio telescope dish antenna. I ask the minister if this means he is now searching in outer space for economic policy?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, obviously, we will find sounder economic policies in outer space than in the official opposition.

Oral Questions

EXTERNAL AFFAIRS

NETHERLANDS GOVERNMENT REQUEST FOR CO-OPERATION IN INVESTIGATING PAYMENTS BY POLYSAR

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of media reports both in the Netherlands and Canada saying that, on the Polysar revelations respecting customers who receive secret rebates, the Netherlands government is expecting the full co-operation and volunteer help of the Canadian government in investigating this matter I ask, has the minister received copies of these press reports or statements from our embassy in the Netherlands? If so, what has been his response? If he has not received them, will he make every attempt to "buck up" some of these embassy people, who should be keeping him informed of this matter?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I have not seen them personally but that does not mean they did not arrive during my absence last week. I will make inquiries. Certainly, I have not received formal representation from the governments concerned asking for co-operation, but if we receive it of course we will consider it as forthcomingly as possible. I will inquire as to whether the embassy has reported; I am sure it has. I think the hon. member is being somewhat unfair in view of the considerable work our embassies have been doing on his behalf and on behalf of the committee.

PAYMENTS BY POLYSAR—ALLEGATION DEPARTMENT HAS FAILED TO CO-OPERATE WITH INVESTIGATING COMMITTEE

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary question touches on that very point. Some members of the committee think the committee has not had the full co-operation of the minister or the department in keeping it up to date on what has been sent to the minister by the embassies. I understand the minister undertook to co-operate fully and my question is this: Would the minister please examine his departmental files, to make sure that information given to the public accounts committee is kept up to date; because if the minister has those reports and we do not have them, then, as I think the minister will agree, he has been falling down on the job.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, certainly I agree thoroughly. I was not aware until this moment that the chairman of the committee was not satisfied. I have sent to him every telegram and every response, and carried through every request. If some are outstanding, I will look into them.

ALLEGATION UNITED STATES BREAKING AGREEMENT ON WEST COAST SALMON FISHERY—GOVERNMENT ACTION

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs? A salmon war is erupting off the west coast of

Canada as a result of the United States government breaking the interim agreement by taking unilateral action. Can the minister advise the House what steps he will take to protect Canadian fishermen and Canadian fisheries resources?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, the negotiations in connection with this matter are continuing with the United States almost on a daily basis. The interim agreement to which the hon. member referred has not yet been ratified by the United States Congress, I am told, because of delays which we in this House may be able to understand. However, I assure the hon. member that the question is being looked into on an urgent basis.

* * *

CANADIAN NATIONAL RAILWAYS

PROPOSED UPGRADING OF GILLAM-CHURCHILL SUBDIVISION—GOVERNMENT ACTION

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is for the Minister of Transport. Will the minister be encouraging the CNR to upgrade the Gillam-Churchill subdivision, in order to carry out the Hall Commission's objective, namely, that the port of Churchill should handle double or triple its present capacity in order to provide a reasonable alternative to the increasingly difficult situation developing in connection with the use of the St. Lawrence Seaway?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, apart from considering what volume of grain may be involved in the future, I sent a letter to the President of the CNR, drawing to his attention the fact that the designation of the Churchill line as non-grain dependent by the Snavely Commission has no relevance to the issue of whether or not it should be upgraded, since it is in the category of lines presently receiving assistance as a branch line whenever it is uneconomic. I will pursue that matter with the Canadian National. I believe it is one of those lines which should be upgraded in the near future.

* * *

TRANSPORT

PROPOSED REPLACEMENT OF RAIL SERVICE IN ATLANTIC REGION BY BUSES—GOVERNMENT POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question to the Minister of Transport arises from the study, released last week, undertaken by the federal committee on Atlantic regional transportation. One of its main conclusions was that principal rail services in the Atlantic region should be replaced by bus services. I wonder if, for the edification of the people of Atlantic Canada, the minister can say if he endorses that view, and was the committee putting forward the policy of the government?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the position put before the Canadian Transport Commission is

the considered view of the five governments, of the four Atlantic governments and ourselves, as part of the process of attempting to identify where money is being spent in the Atlantic region, and if it can be spent better for the welfare of that region. It is part of the over-all agreement with the Atlantic premiers on a variety of programs with which we will want to move forward for the benefit of the Atlantic region.

Mr. Forrestall: Mr. Speaker, when will the government recognize, in formulating its policies, that Canada begins in Newfoundland and ends on Vancouver Island, not in Montreal? The country does not stretch, either, only from Montreal to Vancouver.

Mr. Lang: Mr. Speaker, as the hon. member may know, the report put before the commission the view that rail passenger service should continue from Montreal to the Atlantic as part of a continuous rail route through the country. Of course, in Newfoundland we want to be sure that the existing bus service will be improved.

* * *

NATIONAL DEFENCE

MEMBER PUT ON CHARGE FOR COMPLAINING TO MEMBER OF PARLIAMENT—GOVERNMENT ACTION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question concerns a young man charged in a military court with the heinous offence of approaching his member of parliament. Would the Acting Minister of National Defence look into the circumstances in which a serving person in the armed forces, Mr. Smith, at Camp Gagetown near Oromocto, New Brunswick, could be denied the fundamental right of taking a complaint to his member of parliament, in this case the member of parliament for York-Sunbury? The serving member of the armed forces has been placed on charge. I understand that charge, to be proceeded with today or tomorrow, is for placing his case for release before a member of parliament.

Hon. Donald C. Jamieson (Acting Minister of National Defence): Mr. Speaker, as the acting minister in the House I will certainly take the matter as notice. Judging by what the hon. member said, it appears to be a most serious question. I will see that it is conveyed to the appropriate officials immediately following the question period.

* * *

TRANSPORT

DATE OF DECISION ON UPGRADING HIGHWAYS IN ATLANTIC REGION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is supplementary to that asked by the hon. member for Dartmouth-Halifax East. In view of the disclosures which have been made about Atlantic transporta-

tion policy, I wonder if the minister could elaborate on information he gave me two or three weeks ago, namely, that he will make a decision shortly, or an announcement, on the upgrading of highways in the Atlantic region, particularly in Newfoundland?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I expect to be able to make such a statement at an early date.

IMPROVEMENT IN PORT FACILITIES AT PRINCE RUPERT—POSSIBILITY OF FACILITIES TO HANDLE COAL

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, may I, too, direct a question to the Minister of Transport? May I ask if the port facilities at Prince Rupert, on the west coast, will be upgraded and improved soon, in accordance with recommendations made in the Hall Commission Report? I ask this particularly since the government has already considered turning over to free enterprise the elevator system there. Will that process now be accelerated and will that facility be integrated into the system, as one of the key components of the western transportation system?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I certainly accept the Hall Commission's conclusion about the importance of the port of Prince Rupert and the desirability of using it more extensively. The Minister of Agriculture has presently before him several submissions and proposals relating to the use of the terminal. I hope we shall soon reach a decision on that.

Mr. Oberle: A supplementary question, Mr. Speaker. Are plans in existence to create a coal exporting facility, and similar facilities to handle other, major commodities, to be exported to the Far East from the port of Prince Rupert?

Mr. Lang: Mr. Speaker, in addition to the terminal facility being completed at Prince Rupert, the question of the port's coal handling capability is being studied. This is being done in conjunction with the British Columbia government, in connection with the development of northeastern coal.

* * *

[*Translation*]

EXTERNAL AFFAIRS

RECEPTION OF PRIME MINISTER ON VISIT TO FRANCE

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, my question is for the right hon. Prime Minister.

Following the right hon. gentleman's recent visit to France and his meeting with the President of the Republic, Mr. Giscard d'Estaing, and in light of the statement by the right hon. member for Prince Albert as reported by *Le Devoir* today, to the effect that the Prime Minister was very badly received in the French capital and that we should put an end to our relations with France, since they are pernicious anyway, could the Prime Minister of Canada reassure the House regarding the result and the spirit of that visit and reiterate to the House the importance of our friendly relations with France?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know if the right hon. member for Prince Albert was quoted correctly, but if such is the case I can certainly say that he was indulging in wishful thinking because, in fact, my visit was extremely friendly and successful, and as I have had the opportunity to say, the French government and administration have made clear that they do not intend to interfere in the debate among Canadians and that they want to consider Canada as a sympathetic and powerful ally.

● (1450)

[*English*]

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a supplementary question for the Prime Minister. I would like to know exactly what the Prime Minister did in Paris for three days.

Some hon. Members: Hear, hear!

* * *

NATIONAL PARKS

TERRA NOVA—REASON FOR CONSTRUCTION OF GOLF COURSE

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Prime Minister. In view of the fact the Prime Minister has often expressed grave concern about unemployment in Canada and in view of the fact that Newfoundland is plagued with extremely high unemployment, will the Prime Minister tell the House the rationale or the reason for his government spending $1.7 million to build an 18 hole golf course outside the national park at Terra Nova.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will be glad to take notice of the question.

Mr. Rodriguez: In view of the fact that this $1.7 million for a golf course will not create one job in an area of Newfoundland—

An hon. Member: Oh, yes it will.

Mr. Rodriguez: If these yahoos will just be quiet, I will ask my question. It will not create one job in this part of Newfoundland. Will the Prime Minister assure the House he will look into this matter to ensure that the money is not spent on a golf course but spent in other ways to create employment in Newfoundland.

Mr. Trudeau: Mr. Speaker, I did tell the hon. member that I would look into the matter. However, it would seem to me there is some obvious advantage to Newfoundland to have people go there because of the beauty of the province and the warmth and hospitality of the people.

Some hon. Members: Hear, hear!

Mr. Trudeau: After all, Mr. Speaker, this means that we are encouraging tourists to go to that part of the country. Some of them happen to be golfers. It is not my particular sport, but some of them like to play golf, a sport which has its origins in the north of Scotland and which is enjoyed by many members of this House.

Some hon. Members: Hear, hear!

* * *

ANTI-INFLATION PROGRAM

REASON FOR FAILURE TO MODERATE PRICE INCREASES—PROPOSED REVIEW OF COSTS IMPOSED BY INDIRECT TAXES

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I have a question for the Minister of Finance. Since figures from the Economic Review of the Department of Finance show that price increases in non-food items were still 8.4 per cent during 1976, I would like to ask why after more than one year of controls there has been no significant moderation in the rate of increase.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the fact that those price levels remained high reflects the fact that labour costs have continued to be high in the non-food area. Under the Anti-Inflation Program, as the hon. member knows, the process is directed at a gradual reduction on the compensation side. That has indeed been underway, as indicated by the terms of first years of settlement and the terms of contract which have been entered into during the course of the last year. The hon. member's question is a good example, in reply to the NDP and the Canadian Labour Congress who insist that the program has been particularly hard on the workingman. Obviously, in real terms the workingman has not suffered greatly by the gradual de-escalation of the rate of increase.

Mr. Clarke: The workingman pays a lot of taxes. Since the same review shows that indirect taxes have become the next to largest tax factor affecting overall national price behaviour, will the minister instigate a review of the costs imposed on the economy by these indirect taxes?

Mr. Macdonald (Rosedale): As I indicated in the budget, Mr. Speaker, we will be glad to have an extensive debate in the Finance committee of the commodity tax system. I look forward to being able to discuss this further with the hon. member in that context.

* * *

LABOUR CONDITIONS

ALLEGATION UNIONS FORCING MEMBERS TO WORK OVERTIME TO DETRIMENT OF UNEMPLOYED

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is to the Minister of Labour. In view of the high unemployment level in Canada, may I ask the minister if he is aware of just one of the reasons for this unacceptable level whereby certain unions, including the United Auto Workers, are making it obligatory for their membership to work beyond the number of hours required in a working week, thereby eliminating potential employment opportunities for tens of thousands of unemployed, many of whom are already experienced in their respective fields. If he is aware of this matter, what steps does he plan to take to rectify this unfair practice?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I think it is not an unfair practice. It is not widely resorted to by trade unions in this country. In fact, a resolution was passed by the United Auto Workers in Windsor whereby on their own initiative they are endeavouring to work out some job sharing arrangement for their fellow workers who may be laid off so that all will have jobs.

Mr. Jelinek: Can it be taken that the minister's answer to this question is that he believes this to be a fair practice for the people, and there are many within the unions who do not want to work these extended hours as well as for those who are unemployed and have experience in their respective jobs? Does the minister say that this is a fair practice on the part of the unions?

Mr. Munro (Hamilton East): Mr. Speaker, I think the hon. member entirely missed my point. I am saying that the trade unions in this country are endeavouring to share the available work with their fellow workers, devising various schemes on their own initiative.

* * *

INCOME TAX

CHANGE IN INTERPRETATION OF PROVISION COVERING MONEY ADVANCED BY EMPLOYER—GOVERNMENT POSITION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of National Revenue. Some week or ten days ago I asked the minister about a certain interpretation that had been issued by the income tax section of her department concerning a change of opinion or intention on how to assess individual income tax income earners on the basis of money advanced to them by their employers, either by shares in the company or to assist in home purchases.

[*Translation*]

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, I have been hoping for some time that the hon. member would put that question to me, but I did not see him in the House. I did, to comply with his request, look into the matter.

My department is responsible for levying income tax on Canadians. We have noticed a considerable increase in the loans, at low interest rates or without interest, being granted by employers to employees. We have therefore decided to

revise our last interpretation bulletin to the effect that the difference between the interest rate on those loans and the bank rate will be considered as additional income, for income tax purposes, this ruling to become effective on January 1, 1978.

[*English*]

Mr. Lambert (Edmonton West): Have the minister and her officials considered that because of the change and because of the fantastic increase in the cost of housing in particular, such a practice has become mandatory in order to secure the movement and transfer of employees? Otherwise, it is absolutely impossible. The matter has become a condition of employment rather than additional benefit.

[*Translation*]

Miss Bégin: Mr. Speaker, I feel that question could be put to some other minister. My responsibilities are far more limited and do not go beyond levying income taxes on Canadians.

* * *

● (1500)

[*English*]

PUBLIC BUILDINGS

GOVERNMENT POSITION ON ENTICEMENT OF QUEBEC FIRMS TO FILL VACANT BUILDINGS IN OTTAWA

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, my question is directed to the Minister of Public Works and it has to do with the hon. gentleman's announcement yesterday that as a result of the move of 11 government departments and another 15,000 public service employees to Hull, four million square feet of office space will become vacant in Ottawa which he has encouraged the private sector to get to work to fill. Would the minister have any objection to the owners of this space endeavouring to entice firms from Quebec to fill that accommodation because of the uncertain situation in that province—one, which, I might add, was brought about by the Prime Minister and his government.

Hon. Judd Buchanan (Minister of Public Works): Obviously, I do not accept the hon. member's final comment. I hope that firms in Ottawa seeking other enterprises and commercial endeavours would be able to look all across Canada for prospective occupants.

[*Translation*]

Mr. Matte: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: The hon. member for Champlain on a question of privilege.

Mr. Matte: Mr. Speaker, I believe we have asked only one small question and I should just like to put on oral question.

Mr. Speaker: Order. The hon. member for Shefford on a question of privilege.

Mr. Rondeau: Tomorrow, Mr. Speaker.

Mr. Speaker: Does the hon. member for Champlain want to rise on a question of privilege?

Mr. Matte: No, Mr. Speaker.

[*English*]

Mr. Alexander: I rise on a point of order, Mr. Speaker. I wish to register my objection to the statement made by the Minister of Labour when replying to a question by the hon. member for High Park-Humber Valley. I do not think the minister is quite in touch with his department, because he seemed to leave the impression with me that organized labour was walking around the country looking for work-sharing agreements. I want the minister to know that the CLC has been before the Standing Committee on Labour, Manpower and Immigration and has registered concern about the work-sharing proposal in Bill C-27, the amendments to the Unemployment Insurance Act. They take a very dim view of the unemployment insurance fund being used under work-sharing agreements. So all is not pie in the sky. I know the hon. gentleman did not wish to mislead the House. I just want to set the record straight.

Mr. Munro (Hamilton East): I am mystified as to how the hon. member for Hamilton West could possibly take that interpretation from my comment, unless he wishes to display some unique knowledge he has picked up in some standing committee. I was not even talking about unemployment insurance sharing arrangements. I was not even referring to unemployment insurance. I presume the hon. member was not listening. What I said was that many unions in this country are concerned about unemployment and are endeavouring to devise schemes to share the workload, overtime, and so on, among their fellow workers. How the hon. member could take anything out of that, a statement which had nothing to do with sharing unemployment insurance, is totally beyond me, Mr. Speaker.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

TABLING OF PLAN TO DEAL WITH MARINE EMERGENCIES

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I should like to table, under Standing Order 41(2), the Canadian Coastguard national marine emergency plan to deal with marine emergencies including oil spills in Canadian territorial waters.

Order Paper Questions

CITIZENSHIP ACT

MEASURE TO ENSURE CITIZENSHIP NOT WITHHELD BY REASON OF BEING CONSCIENTIOUS OBJECTOR

Mr. Jake Epp (Provencher) moved for leave to introduce Bill No. C-420, to amend the Citizenship Act (conscientious objectors).

He said: Mr. Speaker, the purpose of this bill is to ensure that Canadian citizenship is not withheld from individuals solely on the basis of their religious or philosophical convictions regarding military service or the bearing of arms. At present, the rights outlined in the bill are embodied in the regulations governing the Citizenship Act. Those regulations can be changed by order in council at any time. This bill will guarantee the rights of conscientious objectors, by law.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,682, 1,920 and 2,255.

[*Text*]

OLYMPIC COINS

Question No. 1,682—**Mr. Jelinek:**

1. How many (a) $5 (b) $10 silver Olympic coins were minted for the Olympic Coin Programme?

2. How many of each remain unsold?

3. What was the seignorage as of January 1, 1977 of the (a) $5 (b) $10 silver Olympic coin?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): 1. (a) 15,642,554; (b) 16,032,574 as of September 30, 1976.

2. (a) 3,183,143; (b) 3,908,496 as of September 30, 1976.

3. No seignorage accrues to the government from the issue of Olympic Coins. The profits derived from the Olympic Coin and Stamp Programmes are payable to the Olympic Corporation. As of January 1, 1977, $88,000,000 was so paid.

IMMIGRATION—APPEALS AND DEPORTATION

Question No. 1,920—**Mr. Schumacher:**

1. For each year 1947 to date, how many appeals were made to the Immigration Appeal Board and, in each case, how many were (a) heard (b) allowed (c) dismissed (d) left pending?

2. For the same years (a) how many resulted in deportation (b) what were the reasons (c) what was the destination?

3. For the same years, how many prohibited immigrants were allowed to remain in Canada by (a) ministerial permit (b) other authority and what was the reason for the prohibited immigrant classification?

[Mr. Lang.]

Hon. Bud Cullen (Minister of Manpower and Immigration): 1. Prior to 1967, Immigration Appeal Board Statistics are not available.

Appeals Made:		(a)	(b)	(c)		(d)
1967	63	8	—	11		153
1968	1382	987	32	955		153
1969	2684	1000	66	934		1723
1970	4046	933	81	845		4750
1971	4908	1179	144	1012		8081
1972	5852	1542	139	1388		11875
1973	14743	8048	1548	6495		18247
1974	743	15405	746	14646		3429
1975	685	3804	1042	2731		225
1976	835	484	23	416		447
Jan. 1977	68	55	2	47	Feb.	456

2. (a) Statistics are not available relating to deportation actions stemming from decisions rendered by the Immigration Appeal Board. (b) See reply to 2(a). (c) See reply to 2(a).

3. Statistics in the form requested, are not available. Section 5 of the Immigration Act describes persons whose admission is prohibited and applied to all persons whether immigrants or non-immigrants. (a) The Minister is required under Section 8 of the Immigration Act to submit to Parliament, within 30 days of the commencement of the first Session of Parliament in each year, a report showing all permits with particulars thereof, issued during the preceding calendar year. The report for 1975 was tabled on November 16, 1976, and this as well as previous reports are available from the Journal's Branch of the House of Commons. (b) Ministerial permits are the only legal means for a prohibited person to enter Canada for the period specified on the permit.

UIC EMPLOYEES REFERRED TO THE DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Question No. 2,255—**Mr. Fortin:**

1. In (a) 1975 (b) 1976, were employees of the Quebec Region of the Unemployment Insurance Commission referred to the Department of National Health and Welfare and, if so (i) how many from each office (ii) for what reasons?

2. Does the Director of the St-Jérôme Office and Sub-Offices use this practice to intimidate his employees and, if not, for what reason are his offices the most affected?

Hon. Bud Cullen (Minister of Manpower and Immigration): 1. Yes. (a) Not available. (b) (i) Offices: Regional, 12; Montreal Northeast, 1; Montreal Northwest, 3; Montreal Southeast, 3; Montreal Centre North, 3; Montreal Centre South, 2; Longueuil, 15; Laval, 1; Montreal Southwest, 7; St-Jérôme, 7; Hull, 2; Quebec City East, 1; Quebec City West, 3; Sherbrooke, 1; Trois-Rivières, 1; Chicoutimi, 2; Lévis, 4; Rimouski, 1; Total 69. (ii) The purpose of a medical examination is to check the physical capacity of employees to perform the duties of their position, in cases where the number of absences for health reasons seems too high.

2. No. The St-Jérôme office, which covers an entire district and has a large number of employees and several sub-offices

under its authority, is not the office most affected by the medical examinations. The manager referred seven employees to the department of health, which represents ten per cent of the total for the Quebec Region.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

NOTICE OF MOTIONS FOR PRODUCTION OF PAPERS

COPIES OF ALL CONTRACTS RELATING TO COSTS AND CONSTRUCTION OF TWO TORONTO MAJOR POSTAL PLANTS

[*Text*]

Motion No. 18—**Mr. McKinley:**

That an Order of the House do issue for copies of all contracts relating to the costs and construction of the two Toronto major postal plants of Gateway and South-Central between the (*a*) Department of Public Works and the Project Management Firm (*b*) Department of Public Works and the Project Construction Firm (*c*) Department of Supply and Services and the Project Management Firm (*d*) Department of Supply and Services and the Project Construction Firm (*e*) Project Management Firm and any Sub-contractor (*f*) Project Construction Firm and any Sub-contractor.

[*English*]

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, parts (*a*) and (*b*) of notice of motion for the production of papers No. 18 are acceptable on the understanding that only the prime contracts will be tabled. Insofar as parts (*c*) and (*d*) are concerned, no contracts have been awarded to the firms mentioned. As for parts (*e*) and (*f*) the government has no jurisdiction over sub-contracts which are the responsibility of the main contracting body.

Mr. McKinley: Agreed.

Mr. Speaker: Is it agreed that the documents shall be tabled with respect to the parts mentioned by the parliamentary secretary?

Some hon. Members: Agreed.

Mr. Goodale: Would Your Honour please call notice of motion for the production of papers No. 44?

COPY OF CORRESPONDENCE CONCERNING THE MULTICULTURALISM GRANTS INVOLVING MR. ED STRUZIK OF LONDON, ONTARIO

[*Text*]

Motion No. 44—**Mr. Beatty:**

That an Order of the House do issue for a copy of any contracts, correspondence, agreements, assessments or papers concerning the multiculturalism grants in 1975 and 1976 involving Mr. Ed Struzik of London, Ontario.

[*English*]

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, all reports, correspondence papers, etc., received by the department in connection with the project of the Church Council of Our Lady of Czestochowa were submitted in confidence and therefore cannot be produced. I therefore ask the hon. member to withdraw his motion.

Mr. Beatty: That is a typical stall, Mr. Speaker, and I would ask that the motion be transferred for debate.

Mr. Speaker: Transferred for debate. Shall the remaining notice of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED INABILITY OF GOVERNMENT TO PROVIDE EFFICIENT POSTAL SERVICE

Hon. W. G. Dinsdale (Brandon-Souris) moved:

That this House notes with alarm the government's continuing inability to provide Canadians with an efficient postal service, its obsession with secrecy, its illegal use of orders in council to set postal rates, and its chronic ineptness in the field of collective bargaining and industrial relations, and recommends that the operations of the Post Office Department be referred to a special joint committee of the House of Commons and the Senate.

He said: Mr. Speaker, during the past few weeks there have been at least three occasions on which Post Office affairs have been discussed both within this House and by the Committee on Transport and Communications. On each occasion the members of Her Majesty's Loyal Opposition have become increasingly concerned by a drift toward a situation which can only result in final confrontation and complete breakdown in the postal service. It is for this reason we are taking the opportunity today to bring a motion before the House in a conscientious endeavour to get some action before the point of no return is passed.

● (1510)

As I came into the House today I received a press release from the Canadian Union of Postal Workers expressing the same kind of alarm. Coincidentally, I do not know whether some telepathy is involved, but it indicates that the people most concerned with providing a postal service have come to the same conclusion as the members of the opposition. I have been receiving a growing volume of complaints about slow delivery, damaged letters and parcels, lost mail and rapid increases in rates for all postal services, and at the same time decline in service. My mail, when the mail does get through, also includes a growing number of complaints from postal employees indicating a continuing decline in morale. A recent letter from a long-time postal officer concluded with these words, and I can assure the House that this is not an exceptional case:

I actually see a dying Post Office now. I notice more evidence of it every day. I am saddened by it all. I no longer support the policies of the union. They are

partly responsible for some of the problems; however, only a small part as most of their foolishness was allowed and seldom even understood by the management negotiations. As an example, the hiring of casuals was a concession that should not have been discontinued; but instead partly discontinued. It should have been pegged to the rate of absenteeism, sick leave, annual and special leave, and maintained at that level.

The disillusionment expressed by this experienced postal worker summarizes what has happened to Canada's Post Office during the past nine years. The high morale that used to characterize the postal service has given way to a growing sense of frustration. The Postmaster General (Mr. Blais), in his remarks to the third Postal User's Conference held in Toronto on November 2, 1976, expressed the same sense of futility. He declared that any further strike action by the CUPW would destroy the postal service. It is reflected, too, in the numerous studies undertaken by the Post Office in attempting to cure the growing malaise, the phrase the former postmaster general, Bryce Mackasey, used to use frequently.

Altogether, some 15 studies have been undertaken. Because they have been highly critical of current trends in Post Office management, administration and labour relations, successive postmasters general have endeavoured to keep a shroud of secrecy around them, thereby denying members of parliament opportunity to engage in informed discussion on ways and means to improve the postal service.

All major industrial countries have been passing through difficulties similar to Canada in upgrading their postal services to meet the demand for modern communications. Denied access to Canadian studies, members of the Conservative party's caucus committee on postal affairs visited the United States and the United Kingdom in search of answers to the Canadian postal dilemma. In both countries we found a refreshing openness and desire to share their problems and experience with us. Just the other day I received volume 1, dated April, 1977, of the report of the commission on postal service from the United States government. In the foreword to the President and Congress of the United States the purpose of the commission is stated briefly thus:

The commission was established to identify and study problems facing the United States postal service and to recommend actions to resolve these problems.

The British are completing a similar study known as the Carter commission report. Our Conservative caucus committee has received the assurance that we will receive a copy as soon as it is off the press. In light of the openness of the United States and British governments, the paranoic secretiveness of the Canadian government is incomprehensible when we view the situation that faces us. This paranoid attitude on the part of the government has influenced and poisoned all relationships in the Canadian postal service. Back in 1969, when Eric Kierans was postmaster general, the decision was taken to move Canada's postal service into the twentieth century by a program of mechanization and automation. Without any prior consultation with the postal unions, the plan was thrown at them as a *fait accompli*. This was the beginning of the breakdown in labour-management relations which has resulted today in a situation where the CUPW is still boycotting the postal code, an innovation which is essential to the success of the automation program.

In his speech to the Postal Users' Conference in Toronto last fall, the Postmaster General referred to yet another study that has just been completed by the Post Office. It was conducted by a sociologist from the University of Alberta and took the form of video-taped interviews with employees. Here is a summary of some of the complaints given by the PMG on page 9 of his speech:

Management never consults us. They never ask for our "input". They never ask how we feel or think. They never get down to the plant floor and find out what's going on. They bring in machines and they tell us how they work, but they don't say how they affect our future.

Some complained about shift work, some about heat and noise. But many more said they were treated either like army recruits or children. Surprisingly, few complain about the computerized machinery. Morale has dropped among those who do not work machines: manual sorters, mail handlers, people in transportation—older, long-time employees who are the backbone of the Post Office. They see mechanization eroding their jobs, depreciating their skills. They think we lavish too much attention and money on machines.

Too much haste in proceeding toward mechanization has produced a situation in Toronto, which processes 45 per cent of all the mail originating in Canada, that we have outlined in this House in questions in recent days and has been referred to by the Postmaster General as a temporary aberration. Mail is being delayed up to ten days, many letters lost, some destroyed by the sorting machinery, and only 35 per cent being sorted by the mechanization process. This results in the necessity of expensive double-banking, with the new, automated machines having to be backed up by a large staff of manual sorters.

Enough has been said to underline the problem, and other speakers will be raising other matters. Now we must move toward solutions. The British and American experience is enlightening in this respect. Both countries have moved away from direct government control to a Crown corporation set up in the United Kingdom and a semi-private organization in the United States. Both countries were faced with strikes in the initial stages of transition. In the U.K. management made the same mistake that has been made in Canada: mechanization was thrown at the union without prior consultation. The United Postal Workers struck and refused to go back to work until such time as they had been thoroughly consulted on the whole process of mechanization and automation.

Management declared a one-year moratorium on the implementation of the plan. Union representatives were brought directly into the planning process. They came up with some of the best ideas. They now sit on the board of directors of the Post Office with management. I talked with Norman Stagg, the deputy general secretary of the Union of Postal Workers of Great Britain, and was amazed to hear him talk of members of the Union of Postal Workers as part of the Post Office family dedicated to operating the best postal service possible. Oh, that we could have this situation in the Canadian Post Office!

They view mechanization and automation as the long-term solution provided the workers are closely involved in the formulation—and this is important—as well as the implementation stage and share the benefits of mechanization. The position of machine coder has become an elite position in mechanized postal plants, and we had the opportunity to see old-time employees displaying excellent morale as they vied one with another for speed and accuracy with coding machines.

● (1520)

At the present time, plans are afoot to introduce full-scale industrial democracy into the British postal plants. Incidentally, they are coming on stream at a much slower pace than the impulsive pace which has been adopted in Canada, with 18 offices out of a planned 80 on stream, and installations are proceeding at the rate of ten a year. In the United States the experience has been similar. They, too, had a strike in the early stages, even though the right to strike is not given to employees in essential services. Now consultation has been introduced in all areas of the United States postal service and at all levels. Training programs have been established for both management and labour.

As is the case in Britain, supervisors and shop stewards attend courses together to be trained in modern industrial relations skills and sensitized to problems of human relations on the plant floor. Local grievances are dealt with at the local level, thereby avoiding the huge backlog of unsettled grievances, many of them trivial and avoidable, which is poisoning the spirit of good, human relations in Canada's mechanized postal plants. It is interesting to note that the commission which reported recently to the President and Congress included representatives from both the postal workers and letter carriers union in its membership.

During the next few weeks, the Canada Post Office is faced with critical negotiations for new contracts with all its employees. The Canadian Union of Postal Workers, which represents most inside workers, have already expressed their militancy by making 250 new proposals for a one-year agreement, and stating, "We're ready to strike again if we have to. It's second nature to us."

In committee meetings last week, the Postmaster General emphasized that management and labour were still on a collision confrontation course. He pointed out that a no co-operation and fraternization clause is written into the constitution of the union. He said the same in his speech last fall:

> All signs appear to me to point to a breakdown in communications. Each party has been unable to accept the other for what they are. Labels have been used "militaristic", "dictatorial", "Maoists", "separatist" when they failed to accept the reality. Propaganda in its World War II sense has been used on both sides.

This was the situation over which the former postmaster general, Bryce Mackasey, stumbled in his attempts to solve the problems in the Post Office. Mr. Mackasey's growing disillusionments are outlined in a series of speeches published by the Post Office, so they must have considered them important, under the revealing title "What's Behind the Lemming Urge"? In other words, we were all going over the cliff together. His closing sentence is most illuminating in light of what I have outlined today, and I quote:

> We're moving beyond ideology; we're responding to necessity. Our choice, as Buchminster Fuller says, is between Utopia and oblivion.

Everyone is agreed that the strike weapon is not the solution. This is pointed out in CUPW's press release today. The workers in the University of Alberta study state that they were gratified and encouraged to be consulted. They said they would like to take pride in their work; they would like the satisfaction of doing their best; they would like to give service. They said, "If management were on our side, we'd be on theirs". The Postmaster General, too, has stated:

> —with every stoppage of work, the Post Office Department loses more business to private couriers, teleprinters networks, computerized message systems and the long distance telephone. We have to stop the drain or we'll end up like the States, where the cost of service pushes up rates as mail volume goes down, and then volume goes down because mailing rates go up.

He further quoted Jack Jones, the moderate leader of Britain's largest trade union, when he said recently, "What's the use of a beautiful wage agreement if the firm goes bust five days later"? The dialogue of the deaf must cease. Management has already achieved a good relationship with the Letter Carriers Union of Canada. It must now come to grips with the Canadian Union of Postal Workers. The leaders of the union want to be heard and want to be involved. We believe that our motion offers the only solution, and we trust that the government will support it.

May I make a further motion, or suggestion, in view of its timeliness, that the press release and the attached excerpts from the Uberig report, which is a significant report by the assistant deputy minister for the Post Office, be appended to *Hansard* today as part of the record?

Some hon. Members: Hear, hear!

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, we all welcome the opportunity of joining this debate and the motion put forth by the hon. gentleman.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) on a point of order.

Mr. Hnatyshyn: Mr. Speaker, I am sorry to interrupt the hon. member for Nickel Belt (Mr. Rodriguez), but my colleague, the hon. member for Brandon-Souris (Mr. Dinsdale), made a motion with respect to the appending of certain documents to today's *Hansard*. I wonder if Your Honour might make a disposition on that matter.

The Acting Speaker (Mr. Ethier): I am sorry, but I did not understand the hon. member's point. The hon. member for Brandon-Souris (Mr. Dinsdale).

Mr. Dinsdale: Mr. Speaker, as I indicated, just as the debate began today I was handed a press release from the Canadian Union of Postal Workers. I think it is a very important document which should be taken into consideration in the discussion that is before the House today. It fits directly

into the motion put forward by the official opposition this afternoon.

Our motion is to refer the matter for immediate action to a joint committee of members of parliament and the Senate. We put our motion in those terms because this has been the growing practice with reference to investigations of this kind. There is a greater possibility of getting more immediate action from a parliamentary committee than a royal commission.

The CUPW press release has the following headline, "CUPW calls for a royal commission of inquiry into the administration of the Post Office Department". That is a slower process, but it is the route which has been taken in the United Kingdom and in the United States. I am agreeable to either route as long as there is some action on the part of the government before our postal system collapses completely. Because of its importance, I would suggest the press release and the appended excerpts from the Uberig report, a report by the assistant deputy minister of the Post Office, be appended to today's *Hansard*.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): I doubt whether an hon. member can table a document.

Mr. Paproski: Mr. Speaker, it is being appended to *Hansard*, with unanimous consent.

The Acting Speaker (Mr. Ethier): I do not think hon. members are allowed the opportunity even to append it to *Hansard*. Only ministers can do that with the agreement of the House. The hon. member could have read it into *Hansard* during his allocated time, but I do not think it can be appended to *Hansard*.

Mr. Paproski: That is not right.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I think Your Honour must have misunderstood what the hon. member for Brandon-Souris (Mr. Dinsdale) requested. He is not asking to table something; he is asking the consent of the House for a certain item or items to be appended to today's *Hansard*. There is nothing new about that. It is not done all the time, but it is done now and then if there is unanimous consent. It is not limited to ministers, although ministers are the only ones who can table something. The right to append something to *Hansard* is up to the House, and provided there is unanimous consent, it can be done.

● (1530)

The Acting Speaker (Mr. Ethier): I want to thank the hon. member for his contribution. He is quite right: this is in order if there is unanimous consent. Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

[Mr. Hnatyshyn.]

The Acting Speaker (Mr. Ethier): There is not unanimous consent.

Some hon. Members: Oh, oh!

An hon. Member: The government refuses.

Mr. Rodriguez: Mr. Speaker, I was just about to begin my remarks when the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) rose on this question. I am glad he did. It is one of the few opportunities we have to stand in this House and talk about the Post Office and the way it is managed. I think the hon. member for Brandon-Souris (Mr. Dinsdale) should be complimented for bringing forward this motion.

Having said that, the motion that has been put is the real crux of the problem. Studies have been made about the management of the Post Office, but there sits the Postmaster General (Mr. Blais) saying "No" to providing parliament and the public with the facts of the situation. This whole matter of the secrecy that operates within the Post Office has been one of the stumbling blocks to any kind of attempt to bring order to it. The Postmaster General cannot claim that the Post Office is a Crown corporation and therefore we cannot interfere. Neither can he claim that it is an entity separate to itself. It is not. The Post Office Department is run by the Postmaster General, and he is responsible to parliament for the postal service in this country. The Post Office Act states that the Postmaster General shall administer, superintend and manage the Post Office, so he cannot hide behind the façade of a Crown corporation or secret documents.

We want to know how the postal service is being administered. There are complaints from one end of the country to the other from people who are supposed to receive the benefit of an extensive service. There are also complaints from the people who sort the mail and deliver it, with respect to the way the Post Office is run. The Postmaster General has avoided providing parliament with the facts about the Post Office. That is a travesty of the purpose of parliament. It is an example of what happens when departments are not held accountable to the people. This minister, like the Post Office, tends to be accountable to no one.

The Postmaster General always has the wisecrack; he thinks this is a great big joke. Mr. Speaker, that is symptomatic of what is wrong with the Post Office. Middle management and top management bureaucrats take the example of the Postmaster General. Six months ago he was saying there was going to be a strike in the Post Office. In January of this year we asked him to open negotiations early in order to avoid problems which tend to become compressed, and sometimes we find ourselves crushed by them when trying to meet a deadline for a strike. He said the rules and regulations did not permit that. Yet out in Vancouver he was smiling like a Cheshire cat and telling us to be ready for a strike. This goes to show the minister's ineptitude when it comes to collective bargaining and industrial relations. So much for the Postmaster General and the incompetence with which he has handled the postal service, Mr. Speaker.

From my experience with the Post Office, I believe the problem lies with middle management. I do not think they have the basic concept of how to direct the work force. They seem to treat the work force in a very childish fashion, talking down to them. They have no idea of how to direct the work force in a meaningful way, with creativity, patience and imagination. Many of the problems which occur in the Post Office seem to revolve around the question of interpersonal relationships between those who are supposed to carry out instructions and those who are supposed to give direction.

A previous deputy postmaster general, Mr. Mackay, attempted to do two things, to decentralize the Post Office operations and to introduce technological change. This has been noted from time immemorial. Mr. Justice Freedman talked about the effect of technological change on the work force of the railways and the right of the work force to ensure that it did not suffer adverse effects from it. He held that there should be some method of retraining or reclassifying the work force to make sure that the effects of technological change did not fall heavily on them. One would assume that would be uppermost in the mind of management.

The Post Office work force did not object to technological change. They were concerned about the effects it might have and wanted to cushion them as much as possible. Those are legitimate concerns, Mr. Speaker. Anybody who has a heart, some common sense and ingenuity with respect to management would recognize that the problem has to be dealt with. It was not dealt with, and as a result we had a strike over the question of technological change.

Sad to say, and to the lasting disgrace of the Post Office, they began to engage in a propaganda fight with the postal union, attempting to get a scapegoat and to blame the workers for the problems in the Post Office which resulted in the strike. Everyone pointed the finger at those who were most visible—the people carrying the picket posters. It was the leadership of the union which had to speak out on behalf of the membership. Time and again the minister said that a technological change clause, and all sorts of things, would be included in the collective agreement. Finally, it was done. Now the problem is with the way it is interpreted. The workers are constantly finding great frustration in dealing with the whole question of interpretation. The Post Office management runs around the end of the clause and the 120-day notice provision. The problem of technological change is still a very serious one for the Post Office, and the Postmaster General seems incapable of handling this very delicate and human problem.

The other thing that Mr. Mackay attempted to do was decentralize the authority of the Post Office. This is pretty difficult when there is not sophisticated management and management seems incapable of exerting leadership and accepting responsibility for decentralization. So we had regional offices operating completely independent of the central administration.

● (1540)

Local post offices were completely ignoring regional office instructions and doing only what they thought they should be doing and what they had always done. We also know—and this is not unknown to the workers, either—that often it became an old boy's club. Middle management brought its own kind into the group, and often this created problems because people who had no knowledge of the postal service got into positions of authority.

The hon. member for Brandon-Souris recommends in his motion a parliamentary committee made up of members of this House and members of the other place. I do not know what the other place could possibly have to say about the postal services in this country.

Mr. Hnatyshyn: They have more time to think.

Mr. Rodriguez: Yes, they have a lot of time to think. We know that, but the Canadian Union of Postal Workers raised a very legitimate point. The Union suggested that the postal service is a bone over which politicians fight. CUPW proposed a royal commission to look into the total operation of the Post Office in this country. To me, that is a common sense suggestion. Quite frankly and personally, I do not have much faith in commissions studying things, because the minister is responsible. The minister has the power, and all we need is a minister with a backbone instead of a wishbone. Then we could get things done and some changes could be made in the Post Office. Instead, we just fumble along. Be that as it may, CUPW has suggested a royal commission. It seems to me that an independent group could study the operation of the Post Office apart from political implications which would be involved with an interparliamentary committee.

What does the minister reply to that suggestion? That suggestion was made to him. Not long ago, before he came into this House, he was told that CUPW suggested this. What was his response? He said that he would be quite prepared to set up a royal commission provided CUPW would be prepared to suspend its collective bargaining until after the report of the royal commission. Well, postal workers do not have that kind of time. They do not have a decade. They have to meet the cost of living—and the minister knows that. Surely the minister should know that there cannot be tit-for-tat in this way. My 13-year old child could understand the mechanics of that.

This minister does not want a royal commission, in spite of the fact that he says he would welcome one. If he really wanted a royal commission to look into postal services, he would not suggest that a group of workers suspend the collective bargaining process while we go through this procedure. We have had royal commissions before. In 1966 we had the Montpetit royal commission. In 1969 we had "Blueprint for Change". Just recently we had yet another important report which was called "Canada Post, 1975".

All these reports said the same thing. They complained about the management of the Post Office; they complained about the paternalism of the Post Office and suggested possi-

ble solutions. One possible solution suggested in the past was the creation of a Crown corporation to run the Post Office. But the government would not have any part of that. The postmaster general of that time wanted to run the Post Office himself. Perhaps if a Crown corporation had been set up, the postal workers would have come under the Canada Labour Code. Perhaps, then, the government would have had to stop hiding behind a complicated tangle of conflicting legislation which allowed it to stall, to hide from the issues and to attack the unionized workers of the Post Office. It was not the unionized postal workers who created the mess the Post Office is now in. It was the government of Canada and its management of the Post Office.

Perhaps I might be forgiven if I become a little bit political here. It seems to me that the only difference between the way this Liberal government runs the Post Office and the way a Tory government would run it is that hon. colleagues to my right would use all the power of government to strangle any complaints from workers in the Post Office.

Mr. Munro (Esquimalt-Saanich): You'd run into the ground.

Mr. Rodriguez: My friend, under our philosophy on the way industrial operations ought to be operating, the postal workers would sit on any board of directors operating the Post Office. It would not be left to a group of persons who may be very good army people but who have no understanding at all of interpersonal relationships. I suspect that much of the middle and top management of the Post Office comes from the armed services. They are "spit and polish" people. That is good for the army, but it is not good for running a service like the postal service where there are such sensitive issues as technological change and the relationship between those who give orders and those who take orders in the work place. That is not an army setting—and that is one of the problems. I do not quarrel often with colleagues to my right because I like to get along with people in this House and I do not like to raise their ire.

Mr. Blais: It must be frustrating.

Mr. Rodriguez: I referred to the difference between the way the Liberals run the Post Office and how the Tories would run it. That difference is one of reaction to workers in the Post Office.

If hon. members think I am kidding, I will quote a motion under Standing Order 43 which was moved by the hon. member for High Park-Humber Valley (Mr. Jelinek), seconded by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds). A finer pair sensitive to industrial relations one would never find in Canada or, indeed, on the face of the earth.

Some hon. Members: Hear, hear!

Mr. Rodriguez: The motion was moved on November 7, 1975, and it reads as follows:

> That this House instruct the government to incorporate into its anti-inflationary legislative program an immediate back-to-work rule for any striking groups or individuals within the essential services of our economy, and at the same time prohibit any further strikes or walkouts in the essential services for the duration of the controls period.

Mr. Jelinek: About 90 per cent of Canadians want that.

Mr. Rodriguez: The hon. member for Halifax (Mr. Stanfield), the former leader of the Conservative party, an hon. member for whom I have a great deal of respect, asked the following questions on October 27, 1975:

> Are the government negotiators no longer taking the position that the union has to accept this wage package before negotiating other questions? . . . Has the government advised the union that a return to work order is a prerequisite to continuing negotiations in good faith?

The only difference between the way the Post Office is run now and the way it would be run by the Tories is that under the Tories there would be total suppression of the workers in that particular work force. I have talked about management, and that is an important part of the Post Office. As I said, I congratulate the hon. member for Brandon-Souris for moving this motion, but let us not forget the real philosophy of many hon. members in his party. I think we ought not to forget that. It seems that the solution the hon. member suggested, the setting up of a parliamentary—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman, but his allotted time has expired. Nevertheless, he may continue if there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Rodriguez: Thank you, Mr. Speaker, and I would like to thank my colleagues on both sides of the House for their generosity.

Mr. Jelinek: Keep it short.

Mr. Rodriguez: I want to assure the House that I will not abuse its generosity.

Mr. Munro (Esquimalt-Saanich): Get on with it, then.

Mr. Rodriguez: There are solutions to these problems in the Post Office, and in the past they have been suggested by some postmasters general. However, those suggestions have died as postmasters general have moved in and out of office. In the last few years there have been about four or five postmasters general, and it seems to me that perhaps the government thinks a moving target is hard to hit.

● (1550)

In conclusion, let me read a paragraph from a letter sent on November 1, 1969, by Messrs. Kates, Peat, Marwick and Company to the Hon. E. W. Kierans, former minister of communications. Mr. Kierans also acted at one time as postmaster general. The letter said in part:

> Fifteen studies were conducted over the past 12 months by task forces which were assembled by the Post Office and utilized the services of six consulting firms. From these studies emerged the overpowering conclusion that the Post Office, as a Crown corporation, could better fulfil its role in the future.

Later, the letter said that even if the Post Office were made a Crown corporation, imagination, patience and leadership would be necessary. We know this, Mr. Speaker, and the joint committee proposed by Conservative members on my right will not alter the situation. A royal commission ought to be established, as requested by the workers of the Post Office. The minister ought to concur in that suggestion, without demanding any quid pro quo, that is to say, without saying, "If you stop negotiating, we will set up a royal commission." I say to the government, "You are not dealing with children. These are grown-up individuals who have an interest in the way the Post Office is run and depend on the Post Office for their livelihood."

We are not talking about teenagers, 13-year olds or young children. We are talking about people who have as much interest in seeing the Post Office properly run, as the people of Canada have in receiving good Post Office service. I say to the Postmaster General, in closing, "Appoint the royal commission. Let us get on with the job, without all this fiddle-faddling around."

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I would like to add a few words to the present debate. It is quite obvious that if the government changes a procedure without the House's permission, it goes beyond its rights. In that case, I do support the motion before us which points out the government's continuing inability to provide Canadians with an efficient postal service, its obsession with secrecy, and its illegal use of orders-in-council to set postal rates.

Mr. Speaker, we cannot merely talk about democracy, we must put it into practice. And each time we proceed by decrees, we are interfering with that very principle. However, it must be said to the defence of the minister that his department must display increased efficiency and, consequently, some measures have to be taken to do so. But it is not a reason to proceed without the assent of the House. It is quite obvious that a service that could have been not only efficient but profit-earning must undergo some modifications. We have no objection to that but we would like to know first what are the measures being considered. That is the very subject of this motion since the minister could answer us that he only wants to improve the postal service through these orders-in-council. But again that does not alter the fact that if things have to be changed in the Post Office to get better service we should ask the House to pass adequate legislation to achieve that goal. It is the proper way to proceed.

As a matter of fact, it is by getting used to small orders which are apparently harmless that in the end we come to pass monstrosities. We must understand that we should be careful to prevent this. Several years ago, the Canadian postal service was a service we had every reason in the world to be proud of but these last few years it has considerably degenerated to the point where I received yesterday an invitation for an important appointment on May 11. What happens? I checked and I have been told that the invitation was sent on May 1. This is not an isolated case; I often had the opportunity to notice undue delays in mail delivery. How did all this happen? All this happened actually and this is one thing which is mentioned in the motion: the chronic ineptness in the field of collective bargaining and industrial relations. The climate among postal workers has been such for several years that this affects their production considerably. And all Canadians had to bear the consequences of this situation.

Yesterday, to give another example, I went myself to take messages delivered by bus service. I noticed on the premises that the parcel delivery section of the bus service is almost as important as the parcel delivery service of the Post Office.

● (1600)

Some people have found out by themselves that they would be better off with private services such as those. Yet, Mr. Speaker, as I said earlier, we already had in this country an adequate postal service of which we could be proud. Some changes should be made and I believe that the government should make an effort to tell what it intends to do, to create, for instance, within the postal service, a climate that is healthy, that is invigorating, that can make the postal service very efficient if not profitable, since people will be more ready to admit the non-profitability of such a service if it is efficient. But when we see the inefficiency of the service, it is difficult to swallow the fact that it is also non-profitable, especially when we can see the services of private companies, which are sometimes no more expensive and which provide quick and reliable service.

Therefore, Mr. Speaker, it is essential that the minister, who seems very willing, because I think that he is doing a good job, realize that it would be his duty to heed the comments we are making today so that he may submit a plan which would show a truly sincere way to bring about the necessary changes within his department. He should therefore stop to administer the postal service by orders-in-council and to authorize rate increases under the pretext that it will make the service more efficient.

Mr. Speaker, I would like to conclude my comments by speaking about one last point. I agree that if we are to keep pace with progress we cannot avoid making changes to replace human workers by machines. We all know that there is such a problem in the Post Office, but I would like to say that we shall never solve this problem if we do not study seriously the suggestions that my party has been making for many years. One day we shall have to decide that we must relate progress, the use of machines, automation and the workers. If the machine replaces man, it will have to be to the advantage of man so that he can continue to live with a sufficient income. And we know that the problem in the postal service is partly caused by this principle of automation. And I insist that we shall not find a solution to this problem of the Post Office because it encompasses all others.

This is an over-all, global problem. And I am sure I do not exaggerate when I say that part of the problems the Post Office and all other departments are faced with result from the government's systematic refusal to transform the basic

economic system which is inflicted, yes, inflicted upon us, which explains why intelligent people who can reason and judge reasonably well cannot solve this problem, for when a service like the Post Office is equipped with machines which can do in a few minutes what hundreds of people would require days to perform, one ends up with the following dilemma: what to do with all these employees?

If intelligent men are not able yet to find an answer there is certainly something wrong and it is the result of a systematic refusal to consider appropriate answers, particularly when we make every effort to suggest valid suggestions and God knows that the former leader of the Social Credit Party of Canada, Mr. Réal Caouette, tried during more than 30 years to make people understand that basic principle: Let us not reject progress. If we build machines able to replace men, let us replace men by those machines. Let us not be stupid and let us find the means to give an income to workers and this is why we should change completely our wrong conception of work. We should get to the point where we shall distribute to everyone, without exception, a minimum income that will allow our citizens to live a decent and honest living.

This is the answer to all kinds of problems, particularly in the Post Office department where conflicts have been caused by labour problems and collective bargaining. For 35 years we have been saying in this House that this should be changed because the worst could happen. We wait for a catastrophe to react. Mr. Speaker, we are looking for trouble and we should avoid it.

I say to the minister that he should think not only of his problem with postal workers but also that he will solve that problem by considering the global answers we suggest to deal with general problems faced by workers. Any individual is entitled to a decent income and it is even more true if mechanization can give it to him. We do not need to give money to the machine. It does not need a purchasing power. If a machine replaces hundreds of men why should we not distribute that income to them? It is simple, Mr. Speaker. I am convinced that the minister will understand this and that, being a man of good will, someday he will study social credit to apply our solutions in his department in order to deal with all postal problems.

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, first of all I want to thank the hon. member for Champlain (Mr. Matte) for his kindness to me. I was hoping that someone this afternoon might recognize the efficiency I have brought into the department over which I am presiding. So I thank him very much. Then not only do I recognize that the Social Credit Party of Canada holds a monopoly on a principle concerning the industrialization of the Post Office, but I also want to say that I approve that principle which I have largely supported since taking over at the Post Office. As the hon. member for Champlain is no doubt aware, there is in the collective agreement currently under negotiation a guarantee that no employee will lose his job nor suffer any income loss because of mechanization. Indeed, we have taken all kinds of measures to make sure that Post Office employees will not bear the brunt of technological changes.

● (1610)

I would also like to recognize during the next round of collective bargaining the increased productivity resulting from such mechanization. This is a management principle, both very modern and very fair, and I totally agree that it should apply here.

I would also agree that there were problems from the outset with mail delivery. More recent problems are due to the transfer from manual to mechanical sorting, especially in the Toronto area. I have no doubt that the examples of slow delivery brought forward by the hon. member for Champlain involved that aberration in the Toronto area. But I would like to ask him to keep a close eye on his mail in the future, and I shall soon send a letter to his secretary asking to be informed of any undue and abnormal delay. Because we try to correct problems that may arise, we have established a quality evaluation system aimed directly at establishing links across the country and ensuring that the mail will be delivered within the predetermined time. If that deadline is not honoured, I would like to be informed so that we can review the situation. The hon. member for Champlain will no doubt agree that with a 60,000 labour force, of which nearly 20,000 are inside workers sorting the mail or supervising sorting machines, errors will be made. But we want to eliminate them.

It must also be remembered that the Post Office has more than 8,700 contracts with trucking firms moving the mail. Clearly, there may be shortcomings in that system. But I would like the hon. member for Champlain to agree that the system now being implemented is efficient, although it needs constant supervision, and that as a user of the mail service the hon. member is just as much part of that supervision as the people within the department.

[*English*]

Turning, now, from the very constructive remarks by the hon. member for Champlain (Mr. Matte) to those of another quality and character, of the hon. member for Nickel Belt (Mr. Rodriguez), I would first like to cite that although the hon. member for Nickel Belt made a great to-do about not answering questions, I did not see his puss at any time in the committee on transportation.

I understand he had to attend another committee. I am not speaking of that. We held two very full meetings, as the hon. member for Brandon-Souris (Mr. Dinsdale) indicated, before the transport committee, and the hon. member for Nickel Belt was nowhere to be seen. There is also the comment he made that I did not have the sensitivity to resolve human problems within the Post Office. Mr. Speaker, I think I have a great deal of sensitivity to be able to stand here and listen to some of the burbling that was bandied about by the hon. member for Nickel Belt.

First of all, when asked this afternoon by reporters about a telegram I had just received from the president of CUPW, my reaction was to tell them that I did not think it was a bona fide

offer. The hon. member knows that the unions will be sitting with Post Office representatives tomorrow to begin negotiations on a new collective agreement. Hon. members know it is a constant practice of that union to engage in confrontation tactics. They know the union has taken a militant stand. It is a legitimate one, and I do not object to it. But I say the proposal this morning is one of two things: a move to upstage the hon. member for Brandon-Souris—and I do not think that at all—or an attempt to soften up the management of the Post Office in preparation for the negotiations.

Had it been otherwise, they would have indicated their seriousness in suggesting a royal commission by recognizing the consequences, namely, that while there is such a commission in being the Post Office ought to operate in a normal state, or in a state as near as possible to normal, and that by continuing the negotiations, we are now faced, once again, with a very confrontative situation. Any work which the royal commission might do would be frustrated at the outset. I doubt very much that one could get a royal commission operating at a time when negotiations were being conducted.

Again, when I was chastised by the hon. member for Nickel Belt as being insensitive to labour relations, I called to his attention the fact that one of the unions with which we are dealing, namely, the LCUC, has really come across as far as we have gone across to them. We have met, now, in 11 sessions, as I indicated to the committee, and the hon. member for Nickel Belt would have known this had he attended. We have had very successful results from these sessions. What disappoints me is that CUPW are not only taking a confrontative stand vis-à-vis the Post Office, but are now taking a confrontative stand vis-à-vis the letter carriers by describing the integrated sessions as a "love-in". Perhaps I might quote from a special bulletin issued on May 16 by the LCUC to its membership. It reads:

> The Letter Carriers' Union of Canada has no animosity or dislike for our brothers and sisters in the Canadian Union of Postal Workers because, being trade unionists, we certainly should be able to find more in common than in opposition.
>
> I do not intend to become involved in a paper war with CUPW and have more important issues to resolve for workers than to engage in a fight over false bulletins published by CUPW. I do, however, feel that our members, who are unaware of the facts, deserve to read them from their union.
>
> The LCUC has been insulted by various CUPW officers for participating in the problem-solving consultation program, which has proven successful in resolving issues for our members. The CUPW referred to these meetings as "love-ins" and other insulting names in an attempt to downgrade our union and the national executive, realizing that names and insults evolve only from ignorance, agreed to allow the CUPW members to attend. We respected their refusal to participate in problem-solving and merely wanted to give them the opportunity to observe the program so that they could converse or criticize from a knowledgeable position. For this, our union has been condemned.

Then the bulletin goes on to state what happened. In fact, the integrated sessions both in Vancouver and in Halifax were picketed by CUPW because CUPW felt that those sessions might be threatening the legitimacy, in this particular context, of its adversarial stance. So when hon. members opposite criticize the Post Office for being insensitive to what is happening within the Post Office in this area, I cite the progress which is being made according to the testimony of one of the most militant groups in the Post Office, namely, the letter carriers.

Mr. Dinsdale: I mentioned that in my speech.

Mr. Blais: I thank the hon. member for doing so. There is now some pressure on CUPW by virtue of the fact that these integrated sessions are proving successful. This is why I looked upon the telegram today as an indication of their intention to suspend negotiations, to see whether there could not be a similar sort of problem-solving arrangement in their province. The hon. member for Brandon-Souris quoted me, flatteringly, as having said that the Post Office was at a very crucial stage. This is not because I am at the helm. It is because of a series of factors.

An hon. Member: The Post Office has other problems besides you.

Mr. Blais: I recognize that, in all due humility. I am a very modest person. When we look at the history of the Post Office, we find that at one time in Canada the Post Office was the only means of communication in the country, the only means of communicating at a distance. Initially, we used the canoe, and then we used the ox-cart before progressing to the pony express. I hear they still use these in Brandon-Souris. Later we proceeded to use the railways and aircraft. But all the time we were progressing in terms of transportation modes we were facing increased competition, competition in the form of improved technology. Some of the problems the Post Office now faces are the result of the success story represented by the Canadian communications industry. We in Canada have one of the most sophisticated telecommunications networks in the world. Yesterday my eldest child was asking me whether it was true that Canada had launched satellites. I said yes, we were third in importance in terms of satellites being launched in the world. Indeed, we have the best satellite communications system in the world. This is one of the direct reasons we have lost a great deal of business in the Post Office, as well as losing some credibility.

● (1620)

The advent of telecommunications has raised the expectations of Canadians in terms of instantaneous communication. No matter how we use transportation systems which work faster and faster, we can never compete with instantaneous communications over wire, over microwave, and over Telesat or satellite. As a result of that, the telephone, telex and other systems have removed a great deal of business from our particular operation.

When we look at the nature of the business that comes through the Post Office today, Mr. Speaker, we see that 80 per cent of the first-class mail is business mail originating from institutions, from government, from business or other organizations. Only 20 per cent is personal mail. Although that represents an increase from 2.5 billion to 3 billion pieces, it puts us in a very vulnerable position since we have noticed that the progress we have made in telecommunications has resulted

in very little intracompany, intramural mail being sent any more. Large corporations and medium-sized corporations, and even small-sized corporations are using telecommunications such as telex, the telephone and facsimile. So in effect what is happening, Mr. Speaker, is that the mail we are getting is mailed created by intercompany communications. We are dealing, as well, with a large increase in our volume because of a little plastic card known as a credit card—Chargex, Bank Americard, Master Charge. As a result, we calculate that about two billion pieces of our mail includes cheques and statements. This makes our business today more and more a kind of one crop affair.

We are now progressing toward what we call an electronic payments system. Most of us make our mortgage payments—those of us fortunate enough to have mortgages—through prior authorization with the bank. These amounts are deducted by the banks. This is done automatically without it going through the mails, so there is no need to mail that kind of communication any more, save and except the private transaction. This practice is not decreasing but is increasing. We are using a payments system which is going, if it is implemented, to save a person having to carry money. If a person wants to make a purchase, all he has to do—

Mr. Munro (Esquimalt-Saanich): What has that got to do with increased mail?

Mr. Blais: The hon. member seems incredulous. What it has to do with increased mail, Mr. Speaker, is that we now have volumes of mail which are vulnerable to changes in technology. I have indicated that we have lost mail volume as a result of improvements in technology in Canada. The hon. member may acknowledge that he uses the telephone now, where previously one in his position would have used the mail. How many of his constituents call him, as opposed to sending him a letter through the mails? This is my point. We now have businesses which are not using the post because in a short period of time we are going to have an electronic payments system which will remove that kind of business from the Post Office. Therefore, this increases our vulnerability. At no time are we more vulnerable, Mr. Speaker, than when we have work stoppages, as the hon. gentleman very well knows.

Last month I received a flyer from an association of hospital pensioners. The government of Ontario was requesting them to authorize the provincial government to pay their cheques directly into their bank accounts in the event of a work interruption. This is where our difficulty lies. When there are work interruptions, we lose business. We are so sophisticated in terms of the use of electronics in order to communicate that lost business never comes back. Once it leaves us, it is very difficult for us to get it back.

Mr. Munro (Esquimalt-Saanich): Then you must have more business.

Mr. Blais: Yes, but I point out to the hon. gentleman that although five billion pieces of mail a year have passed through the Post Office over the last four years, there has been no dramatic increase in the volume of mail. We are trying to encourage a peaceful situation within the Post Office. We want to integrate the marketplace to a greater extent.

We consider there are two aspects to the Post Office. One is the aspect of public service. That is an aspect the hon. member for Kingston and the Islands (Miss MacDonald) really believes in since she represents a number of communities which would not get any service unless it was subsidized. She represents, basically, a number of small communities in her riding which would not benefit from any mail service if it were, let us say, in private hands, because, not being profitable, the service would not be available. So in effect she is sure to approve continuation of that particular subsidization. We also service a number of towns in my riding, small communities which do not generate revenue sufficient even to pay the salary of the postmistress or postmaster, much less pay for the rent, cost of glue on the stamps, and so on. The hon. member for Parry Sound-Muskoka (Mr. Darling) knows that most of the communities within his area are non-revenue producing in terms of net cost and net profit.

The second aspect of the Post Office is in terms of our being a commercial institution. The Post Office is central to the marketplace. We have always been central to the marketplace. We are trying to a larger extent to integrate the marketplace and provide a better, more reliable and more efficient service. That is one reason we mechanized our operation. We wanted to get an increase in volume from the marketplace. We wanted to be in the position to offer better service and a wider variety of products. Unfortunately, there, again, we face very serious competition from the private sector, not in traditional services but in new services which have been created as a result of higher expectations and greater demands on the marketplace.

People tell me that we are losing business to courier post services. I agree that we have lost a great deal of business to the private carriers. The couriers are now conducting an operation in which the Post Office has never engaged, namely, pick-up and delivery with limited volume handling in between. That has never been something which the Post Office has engaged in, but we are now seriously looking at that particular market. As I said last November, this is one area the Post Office should get into.

Next, we are facing competition in the handling of parcel post, our parcel or fourth-class mail operation. In 1973-74 we dealt with about 76 million pieces. In 1974-75 we dealt with 73 million pieces. In 1975-76 we dealt with 62 million pieces. So our volumes are going down, and they are going down because of the competition we are facing from the private sector. This is why I was a little uptight at the comment made by the hon. member from Winnipeg who objected to our using postpak in order to meet competition in parcel post. Postpak is a profit-making product which we are offering to the marketplace and which we are able to handle.

● (1630)

Whether we like it or not, we are dealing with an operation which is massive in scope. We have 8,600 postal installations

in Canada, we have 60,000 employees, and we are dealing with about 12,000 letter carrier walks. You cannot get rid of that tomorrow; you cannot say, "Zap, you are gone".

Mr. Hnatyshyn: You cannot, but you do.

Mr. Blais: You cannot say that. You have got to be "with it" whether your volume increases to eight billion or whether it decreases to three billion. There is no way we can function without the Post Office. There is no way the Post Office can be done away with in Parry Sound, Sturgeon Falls, Owen Sound or Brampton. Whether we like it or not, there will always be a Post Office. The question is: How much is the taxpayer ready to pay to subsidize the Post Office? Our deficit has gone up to $671 million from $70 million of four or five years ago. We cannot afford that sort of money to maintain a postal system.

Miss MacDonald: Hear, hear!

Mr. Blais: We have to make more money with the post office. We are not going to make more money with the post office in Parry Sound. We are going to make more money with the post offices in Toronto, Ottawa, Vancouver and Halifax by going into the Canadian marketplace and offering better service and new products.

Some hon. Members: Hear, hear!

Miss MacDonald: Oh, oh!

Mr. Blais: I notice some chuckling on the part of the hon. member for Kingston and the Islands. That lack of seriousness is one of the problems we are having in the Post Office. She is laughing because she does not know what I am talking about. Not only does she not know what I am talking about, but she does not care.

Mr. Hnatyshyn: Mr. Speaker, I will have to ask the Postmaster General (Mr. Blais) to withdraw if he continues to use language like that.

Mr. Blais: She does not care, Mr. Speaker. The taxpayers' money is of no consequence to her, as long as she can sit here chuckling and reading whatever is in front of her.

Some hon. Members: Oh, oh!

Mr. Blais: The Post Office is at a crucial time because we have to meet competition. If we are going to compete, we have to compete with the co-operation of the work force in the Post Office. Since my appointment I have done everything in my power to get that type of co-operation. We have managed with the Letter Carriers Union of Canada. I point that out to the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Winnipeg North (Mr. Orlikow).

One of the unions found it profitable for its membership to deal with us in consultation because they had been persuaded we were of good faith and interested in the survival of the institution. It is an institution which is greater than the Postmaster General and its employees. It is traditional to us and will always be around. We cannot encourage the Canadian Union of Postal Workers to do the same thing as the LCUC is doing. CUPW has adopted a combative stance and an intransigent stance which is non-productive and counterproductive to the advancement of the Post Office. With that sort of attitude, we will never be able to integrate the marketplace sufficiently, we will never be able to introduce new products, and we will never be able to meet the demand which is presently in the marketplace. I am saying that with all due seriousness, because it is do or die.

Mr. Knowles (Winnipeg North Centre): Why don't you?

Mr. Dinsdale: Do one or the other. We have given you your solution.

Mr. Blais: Well, the solution is very simple.

Mr. Munro (Esquimalt-Saanich): Do or die.

Mr. Blais: If we have another strike, let us not think about going into the marketplace and attempting to get them to believe in some credibility in the Post Office. They are not going to buy it. A number of them have already gone. As I have indicated to hon. members, we have lost a lot of business in the recent past because of competition outside. There are various sorts of measures which are presently available and are technologically feasible that can accomplish a lot of the present functions of the Post Office. Those things need directives and political will to put them in place. They will be put in place in the event no other service is available.

The effect of a long strike, such as the 42-day strike we had in 1975, will have that consequence. It will put that technology in place and further destroy the Post Office as a viable institution. I would ask hon. gentlemen to put their minds to that problem and try to persuade many of the people in the Post Office and management whom they may know that there has to be flexibility and an acceptable attitude on the part of all. I am not talking about money here, because hon. members know there are severe restrictions under the Anti-Inflation Board. I am talking about matters which are fundamental to the operation of the Post Office and which are presently under negotiation. There has to be seriousness by all parties. I have said it before, and I will repeat it now.

[*Translation*]

For the benefit of the hon. member for Kingston and the Islands (Miss MacDonald) I would say it is true, Mr. Speaker, that the Post Office is in a bad situation. We do have completely unacceptable deficits. In the Post Office, we try to integrate the market in a more serious and competitive way. We offer services that we can provide. We can offer new services. To do so, we need the cooperation of all people doing business with the Post Office and of its users who must be patient about delays due to the mechanization program.

We also need the cooperation of postal employees. Thank goodness, we already have the cooperation of three unions.

Finally, Mr. Speaker, we must get the close cooperation of hon. members who must understand the present situation of the Post Office and explain to their constituents, through whatever means they may have, the reasons for the temporary delays which sometimes occur.

[*English*]

When you are dealing with five billion pieces of mail in a year, there is no doubt that some pieces will be lost or destroyed. The percentage of lost or destroyed pieces of mail is minimal. In total it does not even represent a percentage point of 1 per cent. When the hon. member for Brandon-Souris mentioned mail being destroyed, he agreed, by his silence in this House, which is a nice way to admit things—

Mr. Knowles (Winnipeg North Centre): Try it.

Mr. Blais: He agreed he had not seen any mail being chewed up.

Mr. Dinsdale: I did not say that.

Mr. Blais: I have visited a lot of the smaller post offices in Canada, and I have never seen a piece of mail being destroyed. I even visited the post office in Parry Sound which had never before been visited by a Postmaster General. I never saw a machine destroying a piece of mail.

Mr. Darling: That is because Parry Sound does not have one of those monstrosities.

Mr. Blais: I thank hon. ladies and hon. gentlemen for their attention.

Miss MacDonald: You should just say "hon. members".

Mr. Beatty: Will the minister permit a question?

Mr. Deputy Speaker: Order, please. Because the time of the hon. minister has expired, it is necessary to have the unanimous consent of the House for a question to be asked. Does the House allow the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty) to ask a question of the minister?

Some hon. Members: Agreed.

Mr. Beatty: Mr. Speaker, I thank my hon. colleagues for their consent. I always enjoy listening to my hon. friend, the Postmaster General (Mr. Blais). There is one element of his speech which raised a question in my mind, and perhaps he could elaborate on it. I refer to the question of competition being provided by courier services.

● (1640)

The minister seemed to intimate that the reason they had been successful in taking business away from the Post Office was that they provide a service of direct low-volume delivery. Has the Post Office Department undertaken any market surveys to determine why people are using the courier services increasingly, with the extraordinarily high prices they charge compared to the cost of first-class mail? Has the Postmaster General not been aware, as most hon. members have, that the reason more people are turning to courier services is, first of all, that if they give their mail to the Post Office they have no guarantee that it will be delivered and, second, the increasing delays in the Post Office mean that one does not trust it to deliver urgent mail in time?

Mr. Blais: Mr. Speaker, there is no doubt that some people have done that. It has been admitted by the private couriers that they are providing a type of service which has never been provided by the Post Office. Some of the changeover from the postal service to private couriers has taken place because of strikes. I suggest there has been a tendency in the business community to expect that priority items would be delivered within a timeframe that the Post Office could not guarantee even at the best of times. If there were a deadline to be met, then they would use the private courier. That is why our surveys indicate there is a market demand for them, and we are looking seriously at ways of meeting that demand and entering into competition.

By the way, Mr. Speaker, I do not approve of the motion that was suggested.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I want the Postmaster General (Mr. Blais) to understand that the debate which was provoked today, on an opposition day, with this motion is a constructive approach to the problems facing his department and Canada. There is no attempt whatsoever, in any of the actions that I know of with respect to the Post Office, to ridicule or belittle it. It is an attempt to get a service for the Canadian people which they deserve and for which they pay. Unfortunately, a week rarely goes by that I do not have to send letters to the Postmaster General which have reached me from my constituents complaining of the delays they have experienced. I have had delays in my own correspondence, as well. I have here a postcard inviting me to a meeting on May 11 which, by coincidence, arrived the same day. That is unfortunate, but I am sure there must be some way—

Mr. Blais: Did it have a first-class stamp?

Mr. Munro (Esquimalt-Saanich): It is a postcard with a 12-cent stamp. Another one reached me last night, and I am tempted to send it across to the Postmaster General. It is a package—

An hon. Member: Is it ticking?

Mr. Munro (Esquimalt-Saanich): No. As a matter of fact, it ought to be buzzing, but it is not. It is a shipment of queen bees which was delayed in the mail. The bees were dead on arrival. The letter is dated May 11 and is addressed to the Postmaster General from Mr. Wadsworth of Victoria. He had ordered 35 queen bees from Texas, and they were four days in the mail.

Mr. Blais: That is the American system.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, we always walk into that one; there is always somebody else to blame. Why do we not accept responsibility for some of the failures of

our own services? In this general connection, I was delighted with the appointment of the Lambert commission to examine accountability in the public service. It may be able to put its finger on the problems and the necessity of accountability. This brings me to the point made by the new chairman of the Public Service Commission when speaking to the International Personnel Management Association in Ottawa on November 17, 1976. It is distressing to me, as a former public servant, to have to agree in large measure with Mr. Gallant when he said:

> Let me turn now to another general area of concern: the pervasive malaise which seems to affect Canada's public service today. We are all sensing that some public servants are losing their sense of purpose, that some have difficulty in strengthening or maintaining their sense of loyalty, that some find it increasingly difficult to understand the ideals, goals and objectives they are expected to uphold and pursue.

I am not directing those remarks to any part of the public service, but it is true, unfortunately, that this malaise does pervade our public service. Somehow or other we have lost the contact between those who serve and those who are being served. Later in his address, Mr. Gallant said:

> The process of personnel management is shared by a number of authorities: The Treasury Board secretariat, the Public Service Commission, the Privy Council office, deputy heads of departments and their managers, and the various public service unions and staff associations. Each of these partners is charged with specific responsibilities and has commensurate powers to carry out such responsibilities. As long as all partners are operating within the same policy context, the process has a chance to work reasonably well. Vibrations throughout the public service today give rise to questions as to whether we still have in the daily decisions of these many partners, the degree of harmony which is necessary for the system to work satisfactorily.

This is a general comment about the public service as a whole. I know that those who are in it, feel it. We dealt with this over a year ago in the special Joint Committee on Employer-Employee Relations in the Public Service, and I shall come back to that matter. I want to focus more closely on the Post Office for a moment, and I think it is worth recording a few statistics for that purpose.

I think I am correct in saying the largest single union in the public service is CUPW, with 23,000 of the 320,000 public servants as members. There are 16,500 members in the Letter Carriers Union, 8,200 members in the Canadian Postal Association, and 3,600 in the Association of Postal Officials of Canada. So we are dealing with over 50,000 employees, or about one-sixth of the public service. It is a very important segment, and one that performs a service which the Canadian public expects to receive and is paying for. I think it is important, in this context, to recognize the strike danger which is hanging over the heads of the Canadian people like the sword of Damocles. A public stance has been taken by those entering negotiations to the effect that a strike is possible, so that sword will fall unless we dissipate the distrust and misunderstanding that bedevils relations between employer and employee in the Post Office, as elsewhere.

In these circumstances, it is not only important, but essential, I consider, that we press more and more strongly for the introduction of legislation flowing from the recommendations of the Special Joint Committee on Employer-Employee Relations in the Public Service, usually called the Finkelman report. The report was submitted to the House on February 26, 1976. We are now in the month of May, 1977, and there have been no results arising from the report.

● (1650)

It is not necessary to remind the Postmaster General of the care with which we all dealt with the submissions made to that committee, because before becoming Postmaster General he was a member of that committee and a faithful attender at its meetings. Those of us who were there will testify that he was there in earnest and he shared in the formulation of the recommendations. There are some matters, however, which need to be mentioned just to underline their importance in the public service context. I think it would be worth-while now, 15 or 16 months after that report was tabled in the House, to select some of the recommendations of that committee and cite them to show how directly they are related to the unease in the Post Office.

We will not all agree with these recommendations. We do not all agree that they have to be implemented in their entirety, nor will all the recommendations agree with the very thoughtful presentation made to the committee by the Canadian Union of Postal Workers. However, that is not the point. The point is that from those recommendations a number of legislative measures ought to flow, and with your permission, Mr. Speaker, I propose to cite some of these recommendations so that we can be reminded just how important they are in the present context. The very first one is reminiscent of the motion we have before us. It reads as follows:

> That a special task force be established to review the Public Service Employment Act and the role of the commission in personnel management and employer-employee relations in the public service—

The recommendation in the motion of the hon. member for Brandon-Souris (Mr. Dinsdale) is that a special joint committee be set up. That is a slight variation of the recommendation I just cited. I do not wish to cite all the recommendations. There are 72 in all and they are all worth reading. However, I am going to select a few in order to indicate how they bear on the situation with respect to the Post Office. Recommendation No. 8 reads as follows:

> That there is a need for additional procedural and substantive amendments to the law governing the collective bargaining relationship, and more appropriate remedies for unlawful activity.

We have heard about unlawful activity. These are matters which ought to be considered very carefully by this House. Recommendation No. 15 reads:

> That the Public Service Staff Relations Act be amended to require the designation of all employees whose functions involve the provision of services which in accordance with this act are to be provided without interruption.

There is not general agreement on that recommendation, and I am not suggesting there is, but some legislative provisions containing the substance of it ought to be before us so we can examine them and see whether we can accept them in the form in which they are presented. Why do we have to wait so long for that legislation? Recommendation No. 16 reads:

> That the bargaining agents and the employers continue to be required to determine, by agreement, the employees in the bargaining units who are to be designated.

This matter of designation was a very important point in the submission which was put forward by CUPW when it presented its brief to us a year and a half or two years ago. Recommendation No. 34 reads this way:

That, having regard to the established jurisdiction of bargaining agents in the public service, bargaining classification standards be interpreted to mean the determination of the relative worth of jobs within an occupational group.

That is a complicated recommendation. We studied the matter very carefully, and that recommendation was the result. Recommendation No. 35 reads:

That provision be made in the law for the bargaining of classification standards following the three-year period after promulgation.

Again, there will not be general agreement with the actual terms of that, but it has to be discussed here and in committee. Why do we have to continue to wait? Recommendation No. 39 reads:

That resort to strike or lock-out to resolve classification disputes be prohibited.

Again there is going to be argument. That is what this House is for. Recommendation No. 41 reads:

That classification grievances which are not resolved in the grievance process should be referrable to adjudication.

All these matters were raised in the CUPW submission. Recommendation No. 42 deals with a matter which is at the core of the present problem. It reads as follows:

That changes in technology, operations, organization or any other dimension of the structure or character of the employer's resources to provide service to the public be recognized as a prerogative of the employer.

That is going to cause argument. Fair enough. Then recommendation No. 43:

That the employer be obliged to bargain the impact of adverse changes on employees which may occur as a consequence of the employer's actions referred to in recommendation 42 above, including the advance notice of such changes and the details to accompany the notice.

These are the matters which are causing our postal workers concern. Decisions are made and implemented, and the worker is faced with them without any consultation whatever. This recommendation underlines the need for consultation before implementation. I would like to cite one more recommendation, No. 65, as follows:

That where a bargaining agent conducts a strike vote, or submits a proposal for a collective agreement to its membership for approval,

(a) The vote should be carried out by secret ballot in accordance with procedures prescribed by regulations of the Public Service Staff Relations Board; and

(b) A breach of the regulations of the board in this respect should constitute a contravention of the Act, and the union or persons concerned should be subject to the appropriate penalties—

Those are important recommendations, and I am at a loss to understand why we should be delayed so long in seeing the legislation we expected to flow from them. There are other recommendations concerning pay research and casuals. I do not need to cite any more because I think the ones I have cited make it amply clear how important these recommendations are and how essential, in the present context, a bill containing these recommendations in legal form would be.

[Mr. Munro (Esquimalt-Saanich).]

I think we all recognize that there is a growing desire in Canada to remove the ability to strike from the public service or from parts of the public service designated as essential. This desire is growing because of the number of strikes there have been in the public service. The Postmaster General said that during a strike the Post Office loses some of the business it had previously and never gets it back. The only way to combat this is to make proper provision, under the law, for grievances.

● (1700)

We went through this exercise in committee, and a crippling strike or two could build pressure for the removal of that ability which those contemplating a strike ought to bear in mind. I have heard rumblings suggesting that a strike may not be far off. A strike is a distinct possibility, if news reports are to be believed. I hope they are not to be believed. Therefore, action is demanded. What action should be taken? First, we should establish a joint committee as proposed in the motion of the hon. member for Brandon-Souris. The hon. member for Nickel Belt (Mr. Rodriguez) referred to certain studies, but is of the opinion that further studies are not important. Certain studies were undertaken in the past, but the findings were neither revealed nor released. I say such studies ought to be available to the special committee.

Second, we need to introduce the sort of legislation which ought to have flowed from the Finkelman report. Such legislation could assist in the resolution of the problems of the Post Office and would apply throughout the public service. I ask, when will the government take either one, or both, actions to which I have just alluded?

Mr. Walter Smith (Parliamentary Secretary to Postmaster General): Mr. Speaker, I thank the hon. member for Brandon-Souris (Mr. Dinsdale) for moving the motion before the House and so enabling me, as Parliamentary Secretary to the Postmaster General, to say a few words. He suggested that postal service in Toronto is slow. I do not accept that. The Toronto postal operation, the largest in the country, has just completed the changeover to mechanization. As was expected, there have been a number of problems encountered during this phasing-in process. Some of the problems have been due to the higher volumes of mail than were anticipated, as well as the inevitable disruptions when terminal A in Toronto, the manual sorting plant, was closed and the entire Toronto letter-sorting operation was transferred to three mechanized plants. As well, there were the human problems associated with the training and relocation of several thousand employees.

Because approximately 45 per cent of the mail, or five million letters a day, of both domestic and foreign origin passes through Toronto, there have been delays in not only local mail but also in mail being forwarded through Toronto to other distinations. However, more recent figures for May show that service has improved—66 per cent of mail being delivered the next day and 3 per cent being delivered one day late. The national service has improved correspondingly. I hope the improvement continues. Canada Post is confident that postal service will continue to improve as Toronto overcomes its

initial problems. The ultimate success in rebuilding a first-rate postal system will depend on the degree to which this massive mechanized system can be utilized. This, in turn, depends directly on the widespread use of the postal code which Canada Post urges all postal users to promote.

You may recall, Mr. Speaker, that the Postmaster General (Mr. Blais) recently made statements to the effect that the Post Office cannot survive unless its situation improves drastically. The time has come for everyone, in the public and private sectors alike, to work together to improve our postal system. Let us stop blaming one another for the difficult and tense situation that exists at the Post Office and do everything in our power to restore its image. Canada as a whole will be the better for it.

During the next few minutes I will attempt to give the House an outline of two ideas that have been suggested to improve Canadian postal service. Certain people maintain that postal service would improve if the Canada Post Office were to become a Crown corporation. The postal administrations of Germany, Great Britain and the United States have become independent organizations, yet their problems seem to be getting worse and worse. Some critics have what they consider to be the definitive answer to what they see as government bungling in the Post Office: hand the whole thing over to private enterprise. These people will be pleased to know that this, exactly, is going on. The only difference is that the assimilation is a gradual one as private courier services proliferate.

Are those companies really more efficient? Some are; some are not. Their prices and operating costs are much higher than those of the Post Office. They deliver only within or between large cities, where costs are low and profits enormous, and they generously concede the Post Office the right to pick up and deliver parcels in the isolated regions of Newfoundland, in small towns, in crossroads stores and in Arctic settlements. The private courier, of course, measures efficiency by the dollar. He expands only when profitable. He spends only to make more. His only aim—a perfectly laudable one—is to make a buck. But the Post Office has another mandate: to serve, to bind, to unite, to provide a communications web that links Canadians wherever they live. This means that every farmer and every villager can pay his 12 cents and plug into a nationwide communications network—820 domestic air flights, 7,639 contract truck routes, 90 freight and passenger trains, and 12,520 letter carrier routes; and, for a few cents more, you have a choice of 110 international flights to almost every country in the world.

On the day that private enterprise wants to take over this job, on the day it guarantees to deliver mail of all types and sizes to every place in Canada as quickly and as cheaply as the Post Office does, then will be the time to agree with its critics: let them do it. In the meantime, the private couriers are skimming the profitable cream and leaving the Post Office and the public the rest. The Post Office deficit for the last fiscal year soared to $546 million, or $225 million more than for the previous year. Yet a great number of people nostalgically recall the "good old days" when all you had to do was affix a four-cent stamp on a letter and the letter carrier delivered twice-a-day letters which had often been mailed the previous night. As Oscar Wilde once said, the charm of the past is that it is past. The letter carrier no longer appears at your doorstep twice a day, for the same reason that the baker no longer delivers once a day. Gone forever is the era of the four-cent stamp, of the five-cent cup of coffee and of dialling "Ma Bell" to get the correct time. Trains no longer stop in every small town to pick up passengers, just as the sorting of mail is no longer done aboard trains. The Post Office has changed, because nothing is as it was.

In a manner of speaking, the Post Office was a victim of its own success. Cities grew and prospered. Businesses of all kinds expanded, the flow of mail increased, transportation was revolutionized, the public service recognized the rights of unions, and postal service began to lag behind. The Post Office had to move quickly to ensure that the Canadian postal service continued to meet the needs of the population. In addition to other pressing matters, the situation is further complicated by a lack which has preoccupied Post Office communicators a great deal. Somewhere along the way the lines of communication between management and employees seem to have broken down. How can we remedy this situation? One thing that was done a short time ago was to have a National Film Board crew, headed by a sociologist from the University of Alberta, interview rank and file employees at mechanized installations in Vancouver, Saint John, New Brunswick, and Winnipeg. The interviews were extremely revealing and extremely valuable as a management tool. It was found that the average employee's chief complaint is that he feels like the invisible man, working in an environment where his views are neither solicited nor considered by management, that mechanization is being introduced without regard to its effect on his future in the Post Office.

• (1710)

Mr. Dinsdale: Did you write that?

Mr. Smith (Saint-Jean): Regardless of who wrote the speech, it is a good one.

Some hon. Members: Hear, hear!

Mr. Smith (Saint-Jean): Obviously, it is imperative that some way be found to get their views on the post office. The mechanization program is important to the increased efficiency that the Post Office must achieve if it is to survive. But it will not work without people. Many of those who work for the Post Office believe it has entered a crisis stage in its long and proud history of service to the people of Canada, a crisis which could be termed one of productivity. This crisis is not exclusive to Canada. It is a serious and almost insoluble problem faced by all postal administrations of the industrialized nations of the free world. Chief among the approaches to its problems, the Post Office is looking to automation for a solution; it is replacing men with machines. The young worker now enters the scene, he is better educated, anxious to prove himself and

to make a contribution to the organization. He finds it boring to do repetitive tasks. His work is dull and unrewarding. He feels that he is contributing nothing. But what is the solution? Is there, in fact, a solution to this problem? Can the Post Office survive under its present form? Automation can work if workers want it to, and I do not think that professional ethics are dead.

More and more, the Post Office is attempting to ensure the development of its employees as well as that of the postal system. Nowadays, the aspirations of employees seeking development and satisfaction in the job is taken into consideration. Attempts are being made to stimulate their enthusiasm. But this was not always the case. Unfortunately, for a long time Post Office workers were treated as if they were consumer goods and not members of a team. Management let the search for efficiency take over, and employees could not help but think the employer was more interested in the system than in them. But in spite of all that, thousands of workers remain proud of the job they have.

All that the Post Office management has learned in the past few years points clearly to the need for a change in attitude of both union and management. The two sides must find a way to back off from the adversary stance that each has adopted in the past. Only in this way will mutual co-operation, improved employee morale and increase productivity and efficiency be achieved. It is apparent that a mixed participation in the decision-making process could solve most of the labour problems. The challenge is not an easy one.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I listened with interest to the parliamentary secretary as he read what he said was a good speech. It was the brief of the officials who gave it to him to deliver. There were some interesting parts. He quoted Oscar Wilde. I would like to change that quote saying that the past charm was the post. He talked about the invisible man. I think of the invisible man carrying the invisible mail. The hon. member will agree that there are almost insoluble problems, as there are with any bankrupt organization. This is a bankrupt organization—stumbling, lurching and creaking. Because of its intellectual and physical bankruptcy, there are problems, as there always will be with any bankrupt organization, between labour and management. There is no question about that. This goes to the root of the difficulty. I am sorry the Postmaster General (Mr. Blais) is not here. I understand he has gone out to feed the ponies.

Some hon. Members: Hear, hear!

Mr. Baldwin: At the speed at which they are moving, they need to be fed. I want to try and get at the root of the problem. What we see here is a typical case history of what is wrong with this country and this government: rot, decay and corruption—corruption of the dead rather than venal corruption.

Mr. Smith (Saint-Jean): You don't mean that.

Mr. Baldwin: This is so of all levels, from the top to the bottom. As the Prime Minister (Mr. Trudeau) was in Europe preening himself before the television cameras which were compelled to go over there to watch him, I wonder if he thought about the Post Office and how it was degenerating, going underground more and more. He does not worry. The Prime Minister is one of the principal architects of the disunity of this country, the man who created the legion of the condemned of one million unemployed, the man who was going to wrestle inflation to the ground.

[Mr. Smith (Saint-Jean).]

These issues are summed up in what is the difficulty with the Post Office, a once proud institution, dependable, reliable, resourceful, with a good relationship between management and employees and between the institution and the public. That has vanished. Will it come back? I do not know. However, this is prevalent to a greater or lesser degree in every institution of the government of Canada today. There have been many causes. Obviously, staring us in the face is incompetence and maladministration. With due respect to the minister—and I give him the benefit of this doubt—there have been far too many ministers over the past 15 or 18 years that I can recall. When there is a man to be placed somewhere, they either make him minister without portfolio or postmaster general. The hon. member for Crowfoot, now the Minister without Portfolio (Mr. Horner), lost in that one. He is the Minister without Portfolio. Whether the Post Office is the beneficiary of that situation, I do not know.

The ministers are there so briefly they become agents and spokesmen for their senior officials. That is what happens. It happens with too many ministers, for a number of reasons. Parliament is being abandoned as a result of the attitude taken by the Prime Minister. It trickles down by a form of intellectual cosmosis, if the word "intellectual" can be applied to this government. It simply disregards this institution.

One of the reasons for the problems which confront us today is the government's arrogance and attempts to bypass this parliament as often as possible. That is part of the motion which the hon. member for Brandon-Souris (Mr. Dinsdale) put before this House today and which the minister and the parliamentary secretary have been unwilling to answer. I want to deal with that, if I have time, because it is a very simple indication of what causes the problems to the Post Office and to so many other departments of government.

● (1720)

Just a few days ago, the Standing Joint Committee on Statutory and Other Instruments brought in a unanimous report which condemned the Post Office and, by inference, charged the Post Office with engaging in illegal action by increasing the rate for first-class mail without obtaining approval from parliament. The case was documented faithfully and well. I sat on that committee. It was not a partisan issue at all, as I am not being partisan now. What I say will, I hope, be listened to by hon. members opposite.

The facts which were admitted and the facts which were proved by the committee as the basis for its report are an indication of what troubles us today. We pointed out in that report, which was tabled and is now available for discussion,

that on May 21, 1976, the then postmaster general, Mr. Mackasey, stated he was not going to proceed by way of legislation but by order in council under section 13B of the Financial Administration Act. Mr. Speaker, from time immemorial postage rates have been an issue affecting the average person in this country, just as tax rates do. Yet the government has seen fit to take this surreptitious means of avoiding the kind of discussion which should go on in this chamber by raising the rates without coming to parliament and by attempting to rely on the Financial Administration Act.

I have read that act. I was involved in the debate on the amendment when section 13 was brought in in its present form. There was only a passing reference from the President of the Treasury Board to this issue. It was never intended or expected that the Postmaster General, for instance, at the instigation of his officials, would be able to bypass parliament and change first-class mail rates in this way.

Section 6 of the Post Office Act makes the matter plain. It says that the Postmaster General can make regulations for the official operation of the Post Office and that he can fix rates of postage on mail for delivery outside Canada. By that legislation, as it was amended, the Post Office Act fixes the rate for first-class mail. I submit there is very grave doubt as to whether what the government has done is legal. It is certainly improper. It had the result of prohibiting the type of discussion which should take place in this chamber where the people are represented. Surely, an issue which affects so many million Canadians should be discussed here. We might have agreed with the Postmaster General that he had a good case for raising the rates. But I deplore the attempt by bureaucrats to push this institution to one side and carry out these acts by orders in council in the depth of secrecy.

Mr. Hnatyshyn: Wars were fought over taxation without representation.

Mr. Baldwin: Yes, and kings lost their crowns; and the Prime Minister will shortly lose his position as a result of things of this kind.

An hon. Member: Not for two cents.

Mr. Baldwin: Two cents is the difference between 6 cents and 8 cents, an increase which was quite illegally brought about by order in council. That is an illustration of what is wrong. This is excessive secrecy. It is discussion, debate, even heated argument which develops sound programs of a kind which make the country work. Here we have a situation where the Posmaster General increases rates without the kind of debate we should have had here. It is no wonder the Post Office is in trouble, and no wonder the government is in trouble.

Some hon. Members: Hear, hear!

Mr. Baldwin: We talk about secrecy. Secrecy is mentioned in the motion. There were two reports, the Hays report and the Mulligan report. My hon. friend from Brandon-Souris requested the production of these documents. This was refused on the ground that they were internal working papers. Mr. Speaker, if they were working papers containing advice and opinions, there might be good reason for not producing them. But if they were documents, as I understand they were, containing a large quantity of factual and statistical material together with recommendations with regard to certain changes, it is not only the duty of the government to make them available to the House for discussion, but it is the government's responsibility to do so, as it is our responsibility to demand them. It is only through argument, discussion and proposals for change that we make this country work. A government working in secrecy, denying itself the opportunity of hearing the views of the representatives of the people will inevitably get into difficulty.

I am told by my hon. friend from Brandon-Souris that he was invited to go over with other members to see those documents privately. I am glad he refused such a proposal. It is unthinkable that an hon. member representing, as he does, the official opposition and charged with a particular responsibility in connection with the Post Office, should be invited to examine these documents in private and later find himself unable to speak about them. My hon. friend showed good character and strong judgment in not accepting this offer.

I have here a copy of a letter which appeared in the *Globe and Mail* of March 31, 1976, over the signature of Frank E. Thomas of Willowdale, Ontario. It reads:

> In spite of all that's been said about the federal government for secrecy, it's not abating. On the contrary, it seems to have afflicted a department one would not have suspected of such practices.
>
> On March 25 I asked a clerk in the Fairview Mall, Willowdale, post office, for a copy of the current postal rates. The answer was: "We haven't received them yet." When I inquired if another rate change had just occurred, I learned that the one effective last January 1 was still in effect.

● (1730)

> On March 26 I made the same request in station B (Bayview Village shopping centre) and was advised that copies of postal rates were not available. When I asked where I might get a copy, I was told, "You'll have to go to Ottawa for it."
>
> I cannot afford to go to Ottawa. And even if I could, I doubt that the Post Office there would let me have a copy since it seems determined to withhold them from the general public.
>
> Perhaps the *Globe and Mail*'s Ottawa bureau, which seems to have been able to obtain other confidential government publications, could excel itself and get a copy of this evidently ultra-secret document, for publication in an early issue.

For an ordinary citizen of this country to go to the post office and to ask for a copy of the current postal rates, and then to be contemptuously told to go to Ottawa to obtain this material, is a terrible situation. So long as that kind of situation prevails, Mr. Speaker, the Post Office is going to be in trouble and the country is going to be in trouble.

I suggest that instead of the minister coming here and indicting civilization, which seems to be the basis of his defence of the Post Office—he accuses progress in the world of taking away from his organization the business to which it is entitled, which is a scathing indictment of technological improvement and scientific change in this country—he should be more honest, open and candid with this House. Let him lay first before the committee, and ultimately before this House,

the problems which confront him. Let this House into the arena, so it can help. It can only do this if it is made aware of the facts. If this happens, Mr. Speaker, hopefully we can look forward to some improvement in the situation. But it will not happen until this government tears away the veil of secrecy and learns through this parliament that the people of Canada are at least entitled to be junior partners in the business of government.

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I want to enter the debate not so much to either oppose or support the motion which has been put forward by the hon. member for Brandon-Souris (Mr. Dinsdale), but more particularly because of the importance of the mail service in the Toronto area, the volume that goes through there and the difficulty which has been experienced with the Gateway facility. I happen, along with the Minister of Consumer and Corporate Affairs (Mr. Abbott), to represent ridings which surround the Gateway facility and we have been involved in this issue for quite some considerable time. I thought I would like to put a few comments on the record relating to the history of this facility and to where I think the mail service in the Toronto area may well be headed.

First of all, Mr. Speaker, I want to defend the decision taken by the government and by the Post Office some time ago to move to three large automated facilities in the Toronto area. It has not been easy to live with the consequences of that decision while the facilities are being introduced, people are being moved and the new machinery is being started up. Probably it would have been much easier for people who are dependent on the mails, and for members of parliament to service constituency problems, if it had not occurred at this point in time. On the other hand, I think it is important that the Post Office do keep abreast of modern technology and make this decision. One has only to look at some of the deplorable postal situations in some European countries which did not keep abreast of technology and allowed the old system to prevail to the point where, as I recall from reading some articles, they simply destroyed large amounts of mail to dispose of it.

In the Toronto area, very close to 50 per cent of all mail in Canada is handled daily in these three facilities. Of those three facilities, I would judge a large percentage, 45 per cent, goes through the Gateway facility at the west end of Toronto. While the point has been made by a number of speakers today that the mail in total is not increasing at an alarming rate, certainly the amount of mail in the Toronto area is increasing, and the Postmaster General (Mr. Blais) said that this is because of the growth in the business community in that area. The high percentage of mail originating from and directed to businesses means that in the Toronto area, certainly in my opinion, the Post Office Department was correct to move to a highly automated facility.

My major criticism would be that this decision should have been taken earlier. There should have been more time to implement this change. Perhaps one of the real difficulties with which the postal people in the Toronto area have been working has been to try to institute the amount of change which is required within such a short period of time. I think that in fairness hon. members should appreciate just what has had to happen in the Toronto area in this regard. Post offices in the Toronto area have been transferred to these three facilities at the same time as the mail has had to be kept moving. If this were a private organization manufacturing a product, I suggest that the company would have built up its inventory to a very large level and then used the inventory to service its customers while shutting down its one plant and starting up its new facility. But the Post Office could not do that; they had to introduce the new facility, new machinery and procedures, at the same time handling the mail on a daily basis.

This could be likened to Ford or General Motors shutting down their major factory and moving to a new location, with no inventory and not missing any production. In this respect I think we should appreciate the enormity of what has been undertaken in the last two years in the Toronto area, particularly in the last 18 months. These three large postal facilities have had to deal with equipment which had never been either used or designed prior to its introduction. It was prototype machinery which had to be designed specifically and on a scale to do functions which had never been automated before. While I suppose a number of start-up problems were anticipated, I do not think that anyone, particularly the Post Office and perhaps the designers of the equipment, ever anticipated the amount of trouble they have had in terms of start-up.

I make that point because not only has it affected very drastically the mail service in the constituency that I represent just north of the Gateway facility, but it has also affected mail service across Canada, since so much of the mail passes through the facility. I think the hon. member who introduced the motion would agree that it has only been in the last ten days or two weeks that intercity mail passing through Gateway has started to move at the efficiency that we want and should expect.

Another matter which I should like to put on the record is that most of the systems within the Gateway facility have been installed and are now in operation. I hope that all hon. members can come to the Gateway facility and tour it. It is an enormous area, about the size of four football fields. You need a guide to take you around because you might not find your way out, it is almost that extensive. When the mail comes in, it goes into a pre-sorting area, and right from the first that facility has worked well. It then goes to the colour phaser canceller, as they call it, and this facility has also worked relatively well. The biggest problem has been that the mail goes from there on to trays which move forward on a computer program for sorting. This has been a real problem in terms of introducing the facility and getting acceptable mail service at Gateway.

● (1740)

These trays were manufactured by one of the largest companies operating in Canada, the name of which is well known to

everyone in this House. The plastic composition of the material which was used in them was apparently not correct. It was very brittle. The trays were very, very marginally manufactured too large. As a result, there was a good deal of jamming in the automatic guides. When the trays would jam, they would break.

The Post Office at Gateway has fought this problem for about a year. They finally reached agreement with the supplier as to liability and an agreement was arranged whereby these trays would have to be replaced. There has been some hold-up on that, but I am advised the problem is now being solved. That complete section of the service should go on stream or under test July 1. If that is so, and if it is successful at that date, the Gateway facility will start to operate in the manner in which it was designed. Some two or three weeks ago, I am advised, the last phase was set up for the handling of off-size envelopes and the parcel operation. The many different things which had to be produced there are now all operating. The continuing problem with these trays and the automated computer program associated with it is in the process of being solved.

The problem which was there in terms of personnel should not be underestimated. The theory of these large postal installations in the Toronto area was to transfer functions, which were being carried out in a large number of small post offices, to these big three. Not everyone wanted to follow the transfer of those functions. Many employees chose not to continue to work for the Post Office and commute longer distances. Thus, there had to be many new people hired. The hiring of people was not the problem. It was training and finding enough new supervisors to get the system into operation. That has been largely overcome, and very successful.

Some rather critical comments about Post Office employees and their unions have been raised by previous speakers today. I do not intend to enter into that area because I think it has been sufficiently spoken to by other members. I would like to pay tribute to many of the people who work in the Post Office. Most of my constituents would join me in saying it is remarkable that as many people could be transferred as was the case with the start-up of the Gateway facility. There were a number of new procedures and concepts started there, and we have not had any major labour difficulty.

I do not want to be quoted too tightly on this, but it could well be the union might have a case for argument if they followed the small letter of their contract in terms of automation and the introduction of it. I want to congratulate the unions because they took a bigger view and realized what was required, which was an open attitude involving as much assistance as possible in getting the facility to work. When people are being critical of the postal staff, they should appreciate that nearly all the people in the Toronto area who are handling almost half of Canada's mail have had their place of work transferred. Many of them are now working under new procedures and with new machines. This has been accomplished without a major problem, and that is a tribute to them.

I would like to say a word about many of my friends who deliver mail door to door. There is no question there have been problems in the Post Office about the level of service. Most people complain to the letter carriers. It is not their fault. They have been good ambassadors for the Post Office and we should be appreciative of them. In making those comments, I am not saying all is, or has been, well in the Toronto area in terms of the postal service. I have spent a good deal of time meeting with management at Gateway and dealing with this problem. I have had many letters from my constituents. I have had strong representations from the Brampton Board of Trade and from many individual businessmen. Many of these businessmen have lost substantial amounts of money because they submitted tenders which arrived late and were not accepted. This has been difficult. It had to happen some time during this automation phase in order to handle increased volumes of mail at reasonable cost in future years.

Some six weeks ago I was hopeful because Gateway was up to a point where there was almost 80 per cent of next day delivery. Then two things happened: there was a four-day Easter weekend, and because of the contract with the employees the facility was essentially closed for that time, which generated a tremendous backlog of mail. Then having overcome that to a degree, some of the feed-in mail did not arrive on schedule because of start-up problems which were inherent in the facility on Eastern Avenue in the central core of Toronto. This facility is probably five or six weeks behind the one in Scarborough and the one in Gateway. While they are learning from experiences the other two have had, there are problems there. Many times we blame Gateway, and it is not Gateway's fault. It is just the fact that the mail coming from the core of the city has not reached Gateway and, therefore, letters from downtown Toronto to my constituency are delayed at that facility rather than at Gateway.

There is light at the end of the tunnel. During the last ten days all the mail at Gateway has been sorted and cleared from the facility by 6.30 in the morning. The manager and supervisory staff at Gateway have worked hard. They have been working 18 hours a day. They come in very early in the morning, go out on the floor and look at each of the systems. They make sure any problems are looked after and that the mail is moving through the system. It is encouraging to note the mail has been coming in on schedule, is being processed, sorted and sent back out by 6.30 in the morning for ten consecutive days. This indicates that many of the inherent problems are being solved.

By July 1, when the problems in the downtown facility on Eastern Avenue are cleared up and this automated tray process has been corrected, the kind of mail service we expect, and should have as a result of the expenditure in Gateway, should be forthcoming. No one hopes more than I do that it will be improved. I doubt very many members of the House of Commons have as many constituents who are concerned and upset with the level of service as I have. One exception might be my hon. friend, the Minister of Consumer and Corporate

Affairs, representing the Mississauga riding. I hope these problems are under control, and I expect they may well be.

It is encouraging to look at the facilities in western Canada, where the same type of automated service has been installed and brought on stream. It demonstrates that this system improves efficiency and mail service. I am talking now about most of the facilities in western Canada. It has demonstrated that the system does improve the efficiency of the mail service. The concept is correct, but the biggest problem has been the mechanical aspect of it and getting this new, highly-automated equipment to work.

● (1750)

I should like to make three points in closing, if I may, Mr. Speaker. While we complain about the mail service, there have been some good things about it and I think we should compliment the Post Office on those and put them on the record. Members on all sides of the House have been fairly strong in expressing the opinion that government should exercise restraint of government spending. In major statements to the House, the President of the Treasury Board (Mr. Andras) and the Minister of Finance (Mr. Macdonald) have given the commitment that government spending will be controlled and, parallel to that, that the growth of the public service will be virtually frozen. In this fiscal year I believe the growth will be less than 1 per cent. While we all applaud that, we have to understand the position of fast growing areas of the country.

I represent a constituency where the population is growing faster than any other area of Canada. That means new streets almost daily. When people move in, there is a problem supplying them with door to door service, when at the same time there is a freeze on hiring additional delivery men. This problem has been handled well by the Post Office. Certainly, many people in my riding have had to wait for door to door delivery; some have been patient and others have made representations to which I have tried to respond.

By virtue of using small vehicles to take mail out to the routes, the same number of men can deliver to more houses than before. They spend less time waiting for lifts to the post office to get more mail or waiting for public transportation. I think we should compliment those men. It is conceivable that the system would be opposed by door to door delivery men because they are being asked to service more doors; but, instead, they have done it well. It has meant that the same number of door to door delivery men in many areas of high growth have been able to deliver mail to a good many more new residents than would have been the case under the old system. I think we should be positive about that.

Mr. Speaker, I see my time is running out. I have two more very brief points, and if the House agrees I shall put them on the record very quickly. I leave it to the Chair to ask whether there is consent.

Mr. Deputy Speaker: The hon. member is aware that only five minutes are left, and I know the hon. member for Parry Sound-Muskoka (Mr. Darling) wishes to speak. I leave it to hon. members. Does the hon. member have unanimous consent to complete his remarks?

Some hon. Members: Agreed.

Mr. Milne: I will be brief, Mr. Speaker. While we complain about the Post Office, I think there is a responsibility on us to look at how we prepare mail by use of the postal code, appropriate envelopes, and so on. Having installed a lot of automated equipment, there is real concern about the low percentage of mail that can be treated automatically.

I want to go on record as supporting the Postmaster General. I think we should be very vigorous in competing for the entire mail service. We should be in the courier business because it is the responsibility of the Post Office to service all areas. This is not an argument about public or private service; this is a matter of being involved in things that are profitable and will bring down the cost that we have to bear if we are to bring this service to all Canadians, as is their right.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, in the last debate on the Post Office I believe Your Honour was in the chair. I was called on then just three minutes before the time expired, and I see today that I have an extra minute. As a member of the Standing Committee on Transport and Communications, I have been critical of the Post Office Department. I know that my colleague and neighbour in Nipissing, the Postmaster General (Mr. Blais) has great problems to face.

I was interested in the remarks of the hon. member for Peel-Dufferin-Simcoe (Mr. Milne) about the Gateway facilities being the size of four football fields. I thought they were the size of one football field, but I understand now they are the size of four. I was going to speak about slow delivery and various other things, but in my view, Mr. Speaker, the fault with the Post Office is demonstrated by what I have seen here this afternoon. I look in the gallery and see those great officials of the Post Office, and I commend them for being here. Then I look to the far end and there is the great czar of CUPW, Joe Davidson and one of his henchmen. The two parties are as far apart as possible. Why could both parties not have been sitting closer together? I think this is most important.

It was mentioned earlier that everything would be all right by July 1, but then the hon. member for Peel-Dufferin-Simcoe said we might be in a tough spot by July 1. If we are, it will have nothing to do with the machinery or debugging it; what we have to debug is the adversary system that exists between

management and the workers. That is the crux of the whole thing.

Some hon. Members: Hear, hear!

Mr. Darling: I am not saying that one party is to blame more than the other; they are both guilty. Time and again I have said that the people of Canada want them to iron out their differences and get the mail delivered. They do not want a strike. To lay it on the line, they do no want them to be allowed to strike. That is it—one, two, three. I am sure that is unpopular with the union and others as well, but people are fed up with the mail service as it is. The adversary system is no good at all. They should get together. I mentioned this to the Postmaster General in committee. I said, "J.-J., you should sit down with Davidson and company"—and he is a human being; I hear that Scotch burl of his—"Highland Joe." My ancestors came from Scotland. I said, "He has a sense of humour, maybe distorted at times, but surely you can talk to these people as human beings. That is the secret. That is the only way you are going to avert a strike."

Post Office

My colleague, the hon. member for Brandon-Souris (Mr. Dinsdale), and I were in England recently investigating the post office there. I learned a lot, but one thing that amazed me was that the union, from the shop steward up to the top official who holds the same job as Joe Davidson, were sympathetic to management. They were proud of the post office and were aware of the competition they faced from couriers and various other organizations that were cutting into their revenue. They felt they had to stick together or sink together.

That is the message I want to get across to the Postmaster General and his cohorts, and to Davidson and his cohorts. It is as simple as that. Once we get that message across, we will not have to worry about automation and the rest of it. It will fit in, and it will be well oiled and greased.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but it being six o'clock p.m., it is my duty, pursuant to Standing Order 58(11), to announce that proceedings on the motion have now expired. This House stands adjourned until tomorrow at two o'clock p.m., pursuant to Standing Order 2(1).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 19, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL CAPITAL COMMISSION

REQUEST FOR INVESTIGATION OF ALLEGEDLY UNAUTHORIZED EXPENDITURES—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under Standing Order 43 to propose a motion of urgent and pressing necessity concerning apparent impropriety, misuse and mismanagement of public funds by the National Capital Commission at 12-18 York Street in the City of Ottawa. I would move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That an immediate investigation be made by the Public Accounts Committee with particular reference to expenditures unauthorized by Treasury Board, a $4½ million law suit against the government by York Development Limited, certain payments to architect Anthony Kemp for services unperformed and, finally, the spending of $50,000 of public money for the purchase of imported French wines, and numerous other scandalous items outlined today on the order paper.

Mr. Speaker: Under the terms of Standing Order 43 such a motion would require unanimous consent. Is there unanimous consent?

Some hon. Members: No!

* * *

HEALTH

PROPOSAL THAT DEAF BE GIVEN SPECIAL CONSIDERATION—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, even if some insensitive Liberal says no to this motion, I hope the Minister of National Health and Welfare, the Minister of Finance, the Postmaster General, the Minister of Labour and perhaps others will take note of it.

I would therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House calls on the government to respond favourably to the requests of the Canadian Coordinating Council on Deafness, it being widely recognized that hearing impairment, though invisible, is a severe handicap and that those who suffer from it deserve special consideration in line with the consideration accorded to other handicapped persons.

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

Some hon. Members: Agreed!

Some hon. Members: No!

* * *

[*Translation*]

INDUSTRY

SUGGESTED IMPOSITION OF RESTRICTION ON IMPORTS OF FOOTWEAR—MOTION UNDER S.O. 43

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

Considering that 21 footwear factories have closed their doors over the past 12 months, thereby causing the loss of some 2,500 jobs, while Canada is now faced with the highest unemployment rate in 37 years; and considering that the Canadian industry's share of the market is only 44 per cent, since imports have taken over 56 per cent of it, which causes a serious and damaging prejudice to the Canadian industry, I move, seconded by the hon. member for Shefford:

That the House urge the government to take immediate action to remedy the current situation by imposing quotas on imports, because of the serious crisis the Canadian industry is now facing.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1410)

[*English*]

EXTERNAL AFFAIRS

COMPENSATION FOR THOSE ON ROUTE OF TANKERS DELIVERING OIL TO CHERRY POINT FAILING AGREEMENT WITH UNITED STATES—MOTION UNDER S.O. 43

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. My motion is prompted by the fact that moving through the Strait of Juan de Fuca in the coming weeks will be a new and potential ecological disaster, namely, deliveries of Alaskan oil to Cherry Point. In view of the fact that no agreement on compensation has yet been made with the

United States, I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That this House direct the government to bring in an interim compensation scheme to protect the interest of those who live and work in the potentially affected area until an agreement is reached.

Mr. Speaker: Presentation of such a motion pursuant to the Standing Order requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

DISCUSSIONS WITH UNITED STATES ON DIVERTING TANKER TRAFFIC FROM CHERRY POINT—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I also rise on a matter of urgent and pressing necessity under Standing Order 43 to request unanimous consent of the House to my motion. In view of the imminent threat of heavy tanker traffic moving through the Strait of Juan de Fuca, either to Port Angeles or Cherry Point, I move, seconded by the hon. member for Fraser Valley West (Mr. Wenman):

That this House directs the Secretary of State for External Affairs to enter into immediate negotiations with the government of the United States with a view to diverting this traffic to less environmentally sensitive locations.

Mr. Speaker: Order. Such a motion can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

UGANDA—SUGGESTED ACTION AGAINST PRESIDENT AMIN IN VIEW OF ALLEGED ATROCITIES—MOTION UNDER S.O. 43

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, in view of the 170 page report of the International Commission of Jurists submitted to the United Nations yesterday stating that more than 100,000 people may have been killed by security forces in Uganda in the years since Idi Amin took power and the fact that arbitrary killings, tortures, disappearances and other gross violations are still occurring in Uganda, I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the Canadian government change its policy of quiet protests to one of public leadership and express Canadian outrage in a clear message to the international community by stating (1) That Idi Amin should be excluded from the Commonwealth Conference in London, and (2) That Idi Amin will be excluded from the guest list of foreign dignitaries invited to the Commonwealth Games in Edmonton in 1978.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Wenman.]

MANPOWER

PROPOSED ANALYSIS OF EMPLOYMENT PROSPECTS FOR YOUNG CANADIANS ENTERING LABOUR MARKET—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise on a matter of urgent and pressing necessity. In view of the recent Statistics Canada report on manpower supply trends for the Canadian labour force which predicts that employment prospects for many new labour force entrants with post-secondary education will not be good in the next 10 to 15 years, and since the trend is a national one, and in view of the fact that the present Minister of Manpower and Immigration (Mr. Cullen) expressed shock at this finding since he had told us in the House that the present new Canada Works and Young Canada Works programs for job creation are based upon an assumption that there will be general labour force shortages by 1980, I move, seconded by the hon. member for Waterloo-Cambridge (Mr. Saltsman):

That the Minister of Manpower and Immigration immediately set up a study by reputable labour economists to do a thorough analysis of the Canadian labour market on a continuing basis over the next year and a half, so that all high schools, colleges, technical institutes and universities, vocational and guidance directors and counsellors in Canada, will have some realistic ideas of the sectors in which employment prospects are going to be best for our young Canadian adults in the next decade.

Mr. Speaker: The presentation of such a motion can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

CONGRATULATIONS TO MEMBER FOR DARTMOUTH-HALIFAX EAST UPON OCCASION OF HIS MARRIAGE—MOTION UNDER S.O. 43

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I may be stretching your patience on this 43, but I rise under the Standing Order on a matter of urgent and pressing necessity. Due to the fact that the ceremony of holy matrimony within the House of Commons is a rare and, indeed, happy occasion, I move, seconded by the hon. member for Halifax-East Hants (Mr. McCleave):

That this House congratulate in the appropriate manner that long standing member for Dartmouth-Halifax East (Mr. Forrestall) on the occasion of his marriage in the Commonwealth Room of the House of Commons last evening at 5.30.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I know the hon. member for Dartmouth-Halifax East (Mr. Forrestall) will take the warmth of that applause as being the very strongest possible indication of the good wishes which go from this chamber to him for

great success and many years of happiness in his marriage which he celebrated last evening.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

REASON FOR FAILURE TO INFORM COMMITTEE OF DISCLOSURE OF PAYMENTS CONNECTED WITH SALE OF CANDU REACTOR TO ARGENTINA

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Acting Prime Minister. I understand the office of the Prime Minister, as well as several of the Acting Prime Minister's ministerial colleagues' attention has been drawn to a front page story from Buenos Aires in this week's *Financial Post,* indicating not only the amounts paid, not only the dates payments were made, but the name of the actual recipient of $4 million of $5 million worth of Canadian taxpayers' money in respect of the CANDU reactor sale to Argentina. Most of this information, of course, was disclosed in an Argentinian civil magistrate's investigation which was certainly available to Canadian governmental authorities.

My question to the Acting Prime Minister is this: has this information come to the attention of the government? I find it difficult to believe the indifference could go so far that it has not come to the attention of the government. If so, why has this House and the Public Accounts Committee not been made aware of this disclosure before this date?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I have not been made aware of this information. I will certainly check into it immediately.

Mr. Lawrence: Mr. Speaker, my supplementary relates to that very indifference which we have just seen exemplified by the Acting Prime Minister's answer.

Some hon. Members: Hear, hear!

Mr. Lawrence: My supplementary question to the Acting Prime Minister is: why is it a Canadian journalist based in Switzerland, of all places, can go to Argentina and produce this type of very relevant information when, in spite of public declaration by some of his ministers sitting in the front row with him, we are met by indifference, stonewalling, absolute evasion and no information from government sources?

Mr. Paproski: Stonewallers!

Some hon. Members: Hear, hear!

ATOMIC ENERGY OF CANADA LIMITED

SUGGESTED SEVERANCE OF RELATIONSHIP WITH ITALIMPIANTI IN VIEW OF ALLEGATION OF CORRUPTION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. The report mentioned by the hon. member for Northumberland-Durham refers to the fact that there are legal proceedings in Argentina directly involving Lucien Secouri, the Canadian government's business partner in Argentina, in corruption charges relating to the Alvar Aluminium Company in that country. In light of Italimpianti's obviously corruptive activities, I would like to ask the minister if he can tell the House whether he will now take steps immediately to sever AECL's business relationship with Italimpianti starting with the Rio Tercero project?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I would be very pleased to look into the same allegations to which the hon. member has referred.

Some hon. Members: Oh, oh!

Mr. Paproski: You know what is going on.

PAYMENTS TO AGENTS—REQUEST FOR REPORT ON INVESTIGATION BY ROYAL CANADIAN MOUNTED POLICE

Mr. Don Mazankowski (Vegreville): Mr. Speaker, while the minister is engaged in this investigative work, I wonder if he would also look into the question of the disposal of the $1 million to the Luxembourg branch of the Belgian Banque Lambert. In view of the close ties between Gelbard, this bank and David Gravier, who has also been involved in a number of spectacular financial collapses, can the minister indicate whether the RCMP has to date unearthed any evidence as to where this money finally ended up, and specifically whether Gravier was involved in any way, shape or form with the $2½ million payoff?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, if the RCMP have unearthed anything on this particular matter, they have not reported that to me. I am in no position to comment on the allegation concerning some gentleman by the name of Gravier who may have been connected. Quite frankly, I am not familiar with the details at all.

Mr. Paproski: You do not want to know.

* * *

ENERGY

POSSIBILITY OF REDUCING RATE OF INCREASE TO TWO PER CENT

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources as well. Recently the minister said the United

States was following Canada's example in energy conservation. In view of the fact President Carter has committed the United States to an increase in energy consumption of less than 2 per cent per year, whereas the minister's report and the energy strategy report he has referred to commits Canada to a 3.5 per cent increase in growth, would the minister explain to the House how that shows any Canadian leadership in this field whatsoever? Would the minister advise whether he has a report in his own office which says that Canada can have a 2 per cent increase rate and only a 2 per cent increase rate? If he has that report, will he explain why he has not released it, or if he agrees with it?

● (1420)

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. member would read again "An Energy Strategy for Canada, policies for self-reliance," which was issued one year ago, he would see that the target we set was to reduce the growth in energy consumption to 3.5 per cent or less. We made it clear in that report that we hoped to bring the figure down to an average of 2 per cent per year by 1990.

The report to which the hon. member referred, which is the basis of that statement contained in our energy strategy document, should be in my hands shortly. I have not yet seen it but have reason to believe, and have so stated many times, that with strict conservation methods, including many of those already announced, we should be able to reduce our growth in energy consumption to 2 per cent between the years 1985 and 1990.

MINISTER'S PREFERENCE FOR TAR SANDS PROJECT OR HOME INSULATION PROGRAM

Mr. Stuart Leggatt (New Westminster): A supplementary question, Mr. Speaker. Our figure is well below U.S. targets. Last Thursday I asked the minister about his two projects now under consideration before Treasury Board; one is to bring on stream another tar sands plant; the other involves a home insulation program. According to my information, the government is unwilling to fund those plans, and Treasury Board resists their funding. Will the minister say which of the two plans he prefers? Does he prefer the home insulation plan so desperately needed to the tar sands project?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, as I have made clear in the past, I do not see this as an either/or situation. I think that Canadians, clearly, must adopt much stricter conservation practices. I have indicated that, to the extent we can financially, expanding the home insulation program we have already introduced in the maritime provinces to the rest of Canada. I also made it clear that we shall depend on new supplies and a new Athabasca tar sands plant would be an important additional source of supply for Canadians.

[Mr. Leggatt.]

REASON FOR FAILURE TO IMPLEMENT HOME INSULATION PROGRAM IN THOSE PROVINCES WILLING TO PARTICIPATE

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, may I ask a final supplementary question? I return to the question of the national insulation program. As a result of the energy ministers meeting of May 11 I understand some provinces are now willing to implement immediately an insulation program similar to that in place in Nova Scotia. I ask, why does the federal government not implement such a national insulation program immediately on terms similar to those available in Nova Scotia with the other provinces of this country which are willing to undertake and participate financially in the program, in order that we may conserve energy in this country?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I have made it clear that the problem with respect to a home insulation program is one of finances. I am therefore pleased to hear the hon. member say that other provinces are prepared, according to him, to involve themselves, participate and contribute financially to a home insulation program. I would be pleased to receive some evidence of the correctness of that statement from him.

* * *

[*Translation*]

SPORTS

REQUEST FOR REPORT ON DISCUSSION ON TELEVISING WORLD HOCKEY LEAGUE CHAMPIONSHIP GAMES

Mr. René Matte (Champlain): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

The minister is obviously aware that the two best professional teams in the world, after the Montreal Canadiens, are now playing the final series in major hockey. As the House was asked on several occasions whether the federal government would be in a position to urge the CBC to put an end to the discrimination towards the World Hockey Association, and as this series between the Quebec City Nordiques and the Winnipeg Jets would interest people across Canada, particularly in the Quebec City and Winnipeg areas, could the minister tell the House where we are in the discussions on the possibility of televising the last games in this series?

[*English*]

Hon. John Roberts (Secretary of State): Mr. Speaker, I think the question was addressed to the Minister of National Health and Welfare, but perhaps it falls more appropriately within the confines of the responsibilities of the Secretary of State—

An hon. Member: What about Iona?

Mr. Roberts: —who is the channel through which the Canadian Broadcasting Corporation reports to the House. I hope the hon. member is not suggesting that I or the government should interfere with the programming decisions of the CBC.

Some hon. Members: Oh, oh!

Mr. Epp: Not a bad idea once in a while.

Mr. Roberts: However, I have brought to the attention of the CBC the many expressions of opinion which I have received from hon. members from all parts of the House as to the importance they attach to this series.

[*Translation*]

Mr. Matte: Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Perhaps he could skate on this better than the Secretary of State. Would he be aware of the fact that last winter one of the two teams which are playing now has beaten the Russians 6 to 1 and that the federal government seems to have made particular arrangements with a Mr. Eagleson who is apparently leading the minister by the nose, to put us to shame on European skating rinks. This is where discrimination lies. As two Canadian teams are now trying to win a trophy which can become as important as the Stanley Cup, would the Minister of National Health and Welfare tell the House whether Mr. Eagleson prevents him from putting the pressure which is necessary to put an end to discrimination towards the World Hockey Association?

Hon. Marc Lalonde (Minister of National Health and Welfare): No, Mr. Speaker.

[*English*]

INQUIRY WHETHER WORLD HOCKEY LEAGUE CHAMPIONSHIPS AS IMPORTANT AS CANADIAN FOOTBALL LEAGUE

Mr. Jake Epp (Provencher): Mr. Speaker, I would like to ask a supplementary question of the Minister of National Health and Welfare with regard to this series. Previously I placed a motion under Standing Order 43 before the House, but my motion was not given unanimous consent. In view of the fact that this is an all-Canadian title, the first time in ten years in professional hockey, would the minister give the same concern to this event of importance to Canada as he did when he tried to protect the Canadian Football League?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the hon. member does not seem to realize that we have a Minister of State (Fitness and Amateur Sport) who is doing an outstanding job in this field.

Some hon. Members: Hear, hear!

Mr. Lalonde: The hon. lady is performing her work in an outstanding way, and I would be very happy to have her answer the question of the hon. member.

POSSIBILITY OF TELEVISING WORLD HOCKEY LEAGUE CHAMPIONSHIP GAMES

Mr. Jake Epp (Provencher): Mr. Speaker, if I may, I will direct that question to the minister mentioned. Have final plans been made whereby this event of importance to Canadians will be televised on the same basis as this government has seen fit to do it through the CBC for the NHL?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I will be intervening with my colleague the Secretary of State in this matter. However, in response to the previous question, I find it quite offensive that any hon. member of this House would seek to indicate that Mr. Eagleson is leading the government by the nose. It seems inappropriate that this should be indicated in this chamber because hon. members should at least accept the fact that there would be no international contests without this person's intervention, and credit should at least be given.

Some hon. Members: Hear, hear!

* * *

CANADIAN BROADCASTING CORPORATION

REQUEST THAT FINAL GAMES OF WORLD HOCKEY LEAGUE CHAMPIONSHIP BE TELEVISED

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my supplementary question is for the Secretary of State who is responsible for the CBC. As the CBC is subsidized by Canadian taxpayers to the tune of over $500 million a year, and as there have been strong recommendations from the people of the provinces of Quebec and Manitoba that at least the fifth and sixth games be televised, will the minister please use his influence with the CBC and request that the CBC televise those games?

Mr. Speaker: Order, please. The hon. member for Fraser Valley West.

* * *

● (1430)

CANADA SHIPPING ACT

POSSIBILITY OF AMENDMENT TO PROVIDE COMPENSATION FOR OIL SPILLS FROM TANKERS ON ROUTE TO CHERRY POINT

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is for the Acting Prime Minister. Since the government has known for five years that tankers would be travelling within a few miles of the international boundary and since even after five years it has not arrived at a suitable arrangement with the United States on compensation and liability conditions for Canadian citizens in the event of a trans-boundary oil spill, will the government amend the Canada Shipping Act to provide compensation for Canadian victims of oil pollution from the TAPS tankers until the United States institutes mutually satisfactory legislation on the trans-boundary oil pollution question?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, the government will take note of the hon. member's representations on this important point.

Oral Questions

EXTERNAL AFFAIRS

DISCUSSIONS WITH UNITED STATES ON AGREEMENT TO PROVIDE COMPENSATION FOR OIL SPILLS FROM TANKERS EN ROUTE TO CHERRY POINT

Mr. Bob Wenman (Fraser Valley West): A supplementary question, Mr. Speaker. Since the government has yet to conclude satisfactory negotiations on the provisions of compensation to Canadian victims of American oil pollution, will the government send a diplomatic note urging a swift and satisfactory conclusion to negotiations on the comprehensive oil pollution liability and compensation bill and passage through the Congressional-Senate committee system before regular deliveries begin in July to Cherry Point?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, the hon. member knows there are certain limitations within this particular situation. The government of Canada has had consultations over a long period with respect to possible pollution in this area. As I recollect it, in certain areas we have made advances in order to minimize the dangers of pollution. On the question of compensation, I will be happy to make a further check and advise the hon. member whether further negotiations or representations to the United States are likely to advance the cause which we both believe in.

SUGGESTION CANADIANS HAVE ACCESS TO UNITED STATES FUND FOR COMPENSATION FOR OIL POLLUTION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, a supplementary question. In view of the consultations which have just been mentioned by the Acting Prime Minister could he tell the House whether the government is now in a position to assure potential Canadian victims that they will have equal access and rights to the so-called super fund which is in the draft comprehensive oil pollution liability and compensation bill before the United States Senate, in the same manner as their American neighbours? Has the government demanded or made representation to have these rights and if not, why not?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I will check into that point.

Mr. Munro (Esquimalt-Saanich): A further supplementary question, Mr. Speaker. Failing that, could the Acting Prime Minister tell us whether the government is contemplating specific legislation parallel to that which is before the United States Congress in order to give assurances to Canadian citizens that their interests will be fully protected in the case of an oil spill in this very delicate area?

Mr. MacEachen: Not at present, Mr. Speaker.

[Mr. MacEachen.]

NATIONAL CAPITAL COMMISSION

INCREASE IN EXPENDITURES ON 12 TO 18 YORK STREET, OTTAWA—REQUEST FOR INVESTIGATION BY PUBLIC ACCOUNTS COMMITTEE

Mr. Tom Cossitt (Leeds): Mr. Speaker, my question is directed to the Acting Prime Minister in the absence of the Minister of State for Urban Affairs. Is the government aware of possible serious improprieties, misuse and mismanagement of public funds by the National Capital Commission at 12 to 18 York Street, Ottawa, and if so, is he agreeable to having an investigation by the Public Accounts Committee into why this project, originally estimated at $700,000, has suddenly skyrocketed to over $5 million?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, as the hon. member is aware, the Public Accounts Committee has the authority to examine these accounts and can do so in its regular operations.

Mr. Cossitt: A supplementary question. With all due respect to the minister, he is correct but I also believe the government could recommend that this be done. Would the minister be agreeable to asking the Public Accounts Committee to investigate why a fee of approximately $4,000 a month was paid for over two years to By-York Development Limited who reportedly only provided the service of travelling to England at public expense to purchase $100,000 worth of antiques, including suits of armour?

Mr. Speaker: Order, please. Surely that information ought to be obtained by questions on the order paper.

* * *

ENERGY

REQUEST FOR REJECTION OF ANY APPLICATION FOR PLANT TO REPROCESS PLUTONIUM

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and relates to statements attributed to officials of Atomic Energy of Canada Limited that Canada needs to at least develop and probably use plutonium recycled from spent nuclear fuel rods for a thorium fuel cycle. Despite efforts by officials of AECL to pressure the government into moving in this direction will the minister assure the House that in view of the abnormally high risks involved in what could be another step along the road to nuclear tragedy, that the government will reject any application by AECL to establish such reprocessing facilities in Canada?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot give that kind of assurance at this time but I can assure the hon. lady that we will examine the question very carefully. The quotation she was referring to was merely an opinion of scientists within AECL who recognize the enormous value of spent fuel rods and the potential of the CANDU system to use that spent fuel in their cycle. As I

understand it, there are other ways of using spent fuel without going through the plutonium cycle itself. This is the sort of question we will be examining.

Miss MacDonald: A supplementary question. Given the curtailment of reprocessing facilities recently introduced by President Carter in the United States, the concerns expressed at the recent summit meeting in London about the dangers inherent in reprocessing nuclear wastes and by officials of the Atomic Energy Control Board this morning about this course of action, will the minister at least give the assurance that no decision will be taken to pursue this course of action prior to a wide ranging public debate on this whole issue?

Mr. Gillespie: Mr. Speaker, I can give the hon. lady the assurance that no decision will be taken on this by the government without a good deal of discussion. Whether that fits into her definition of a wide ranging debate, I cannot say. I also want to make it quite clear that the Canadian government will be co-ordinating its views closely with the United States government in respect of reprocessing. If any assurance is needed I think the hon. member should gain some from the fact that the Canadian government has taken the lead with respect to this whole question of nuclear safeguards.

Miss MacDonald: A final supplementary question, Mr. Speaker. In considering the question of reprocessing plutonium in this country will the minister give equal weight to the views expressed by the Atomic Energy Control Board as he does to officials of Atomic Energy of Canada Limited?

Mr. Gillespie: Of course, Mr. Speaker.

* * *

CANADIAN BROADCASTING CORPORATION

INQUIRY INTO ALLEGATIONS OF BIASED PROGRAMMING—SUGGESTED REFERENCE OF CRTC REPORT TO COMMITTEE

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my question could be considered supplementary to those already addressed this afternoon to the Secretary of State. It concerns the activities of the Canadian Broadcasting Corporation and the inquiry being conducted by the CRTC president, Mr. Harry Boyle, who is scheduled to produce the final report before July 1 of this year. Is the Secretary of State prepared to recognize the many and varied criticisms of the CBC by members of parliament and the public by giving his assurance to this House that the report of the CRTC will be referred by the government to the Standing Committee on Broadcasting, Films and Assistance to the Arts for detailed study and report back to the House? If he does not agree to this approach, would the minister be favourably disposed toward a reference to that committee that would permit, in the next session of this House, a review of CBC activities?

Mr. Speaker: Order, please. Until both those events occur I really have to classify that question as hypothetical.

MANPOWER

CANADA WORKS PROGRAM—REASON FOR RETAINING UNUSED PHASE I FUNDS IN CONSTITUENCY FOR USE IN PHASE II

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I should like to address a question to the Minister of Manpower and Immigration. In a letter sent to my office this week the minister indicated that any funds allocated to a constituency under Phase I of the Canada Works Program which were not utilized would remain in that constituency to be utilized in Phase II. I should like to ask the minister how he can justify sitting on these funds which will only be used to benefit areas with already low unemployment when other areas in the Atlantic provinces and Quebec currently are receiving as little as one dollar's worth of funding for every five dollars' worth of acceptable applications under Phase I?

● (1440)

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, it seemed appropriate in certain circumstances to listen to members of parliament from both sides of the House. I received strong representations from members who are supposed to know the conditions in their own constituencies. The fact that we had started a new program and they felt they needed more time to come up with better projects made eminent good sense to do so.

Mr. Hogan: The answer that the minister just gave me goes against his stated policy and that of his government that there would be a special effort through Canada Works to improve the situation in areas of desperately high unemployment in this country and not to be helping other areas. This is not being done. It was done under LIP because the funds were poured back.

Mr. Cullen: Mr. Speaker, I do not think the analogy to LIP is correct. In this particular instance, we have a second phase of a particular program that we know is going ahead. The representations I have had from members are to the effect that they can make better use of it because they will have more time. Very heavy weight has been given to pouring the money into areas of high unemployment, so it is not fair to say it is not being used in the proper areas.

* * *

NATIONAL DEFENCE

POSSIBILITY OF CHARGES AGAINST PRIVATE SMITH FOR COMPLAINING TO MEMBER OF PARLIAMENT—GOVERNMENT POLICY

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the acting Minister of National Defence. Further to the question addressed to the acting minister yesterday by the hon. member for Halifax-East Hants of which he took notice. Can the acting minister today advise if it is permissible for members of the armed forces to approach members of parliament for advice or assistance and whether any charges

have been laid or are about to be laid against Private J. P. Smith of Canadian Forces Base Gagetown for approaching a member of parliament?

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, as a follow up to the question asked yesterday, I wish to inform the hon. member that no charges have been laid against Private Smith and we do not contemplate laying charges against him for contacting his member of parliament. It has been stated in this House by my minister and his predecessor that members of the Canadian Armed Forces, just as any other Canadian, have every right to contact their members of parliament.

Some hon. Members: Hear, hear!

* * *

ENERGY

SALE OF CANDU REACTOR TO KOREA—EVIDENCE OF SERVICES RENDERED BY MR. EISENBERG

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources relating to the AECL matter in Korea. Since most of the information contained in the April 5 letter from our embassy in Seoul appeared to rely only on the evidence of Mr. Min Choong Shik, the former president of the Korean Electrical Company about any services actually performed, does the minister now have any further information on any tangible or visible services performed by Mr. Eisenberg or his company in Korea? Is there anything to substantiate this third hand information received from the Department of External Affairs which is now being contradicted by other knowledgeable people in Korea?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, that clearly is the opinion of the hon. member. If he were to examine the situation, he would have to acknowledge that the former president, the person who was there at the time, is more likely to be informed on these matters than people who were not there at the time.

Mr. MacKay: Is the minister saying unequivocally that these people were not there? He also conveniently forgets, as he did in his answer to the hon. member for Kingston and the Islands, this information was based not only on the information of the Korean Electrical Company vice-president, but also information from the vice-president (Power Reactor Engineering) of the Korean Atomic Energy Research Institute and the Commissioner of the Republic of Korea Atomic Energy Commission. In view of his strange nonchalance on the subject, particularly contrasted with countries like United States and Great Britain which appear to take some interest in this sort of thing when it affects their national image, is the minister prepared to go to Korea himself or send someone to do what these enterprising newsmen have done?

[Mr. Howie.]

Mr. Gillespie: Mr. Speaker, I think it has been made very clear in the past that the government has done everything it could.

Some hon. Members: Oh, oh!

Mr. Gillespie: This matter was referred to the Public Accounts Committee. If the hon. member would reflect for a moment upon the requests that were put to the Secretary of State for External Affairs by the Public Accounts Committee and the answers provided by his department using the resources of the department as well as the answers of the Secretary of State for External Affairs in this House, he would see that we have used our foreign representatives to try to provide the answers that the Public Accounts Committee were seeking.

* * *

TOURISM

DENIAL OF TAX DEDUCTIONS TO UNITED STATES CITIZENS ATTENDING CONVENTIONS IN CANADA—GOVERNMENT ACTION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, in the absence of the Secretary of State for External Affairs, the Minister of Industry, Trade and Commerce and the Prime Minister, I will direct my question to the acting Secretary of State for External Affairs. In light of the recent decision by the United States Senate not to allow special tax deductions for Americans attending conventions in Canada, a policy that has already cost the Canadian hotel industry at least $16 million to $20 million, what action if any has the government taken to protect the Canadian interests, particularly in view of the fact that the ways and means committee of the House of Representatives will be looking into this matter in July?

[*Translation*]

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, representations have already been made to U.S. authorities both by the Prime Minister during his visit and by various ministers since. That, again, has been explained to the House. I myself will have in the near future the opportunity to talk about that with my U.S. counterpart.

[*English*]

POSSIBILITY OF REINSTATEMENT OF TAX DEDUCTIONS FOR UNITED STATES CITIZENS ATTENDING CONVENTIONS IF PARTS OF BILL C-58 WITHDRAWN

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): In view of the fact that a number of senators, including Senators Kennedy and Magnuson, explained their decision not to support these tax benefits for conventions in Canada on the basis that they objected strenuously to the effects of Bill C-58 on American broadcasters, does the government consider the objectionable parts of Bill C-58 to be negotiable in exchange

for a reinstatement of the American tax benefits for conventions held in Canada?

[*Translation*]

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, to my knowledge, that question is mixing up problems of American domestic policy which have never been dealt with in the discussions between our two countries.

* * *

[*English*]

AGRICULTURE

REQUEST FOR MEASURES TO ASSIST BRITISH COLUMBIA PRODUCERS

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is to the Minister of Agriculture. I am aware that the government has been engaged for some time in discussions and negotiations with British Columbia on programs for the further development of resources of the province, particularly in the industrial and agricultural sectors. Regarding the latter, we are all concerned that the original ARDA agreement is running down with the consequent need for new joint programs. I expect that the Department of Agriculture is involved in examining the possibilities and I would ask the minister to provide assurances that he and his department will indeed support actively and join with the Department of Regional Economic Expansion in introducing new initiatives for assistance to agriculture in British Columbia.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, discussions are taking place. I do not think I have to apologize for wanting to be involved in any programs that are in effect in British Columbia because of the great things we have done for British Columbia since I have been Minister of Agriculture.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Brisco: Recognizing the fact that the agricultural problems of British Columbia are rather unique in geographic terms, is the minister prepared to accept the fact that the program under ARDA that is sought by the province of British Columbia is in some ways uniquely different from those the minister has for other points in Canada?

Mr. Whelan: Mr. Speaker, the agreements that are signed are not all the same between provinces. I recognize that it is somewhat different in British Columbia.

[*Translation*]

FISHERIES

REQUEST FOR FINANCIAL AID TO HERRING FISHERMEN OF ÎLES-DE-LA-MADELEINE

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I wish to ask a question to the Minister of Fisheries and the Environment but in his absence I will direct it to his parliamentary secretary or to the acting minister.

Considering that herring fishing is a disaster for the third consecutive year, which means a complete lack of revenue for the Îles-de-la-Madeleine on top of an unacceptable deficit, could the minister tell the House whether his department is prepared to give a favourable answer to the Magdalen Islands herring fishermen who ask for assistance to offset their lack of revenue and ensure the survival of their families?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, in the absence of my colleague who is on an official visit in Newfoundland, I want to tell the hon. member that the moment the minister is back I will forward to him the representations he just made by the hon. member in the interest of his constituents.

* * *

[*English*]

EXTERNAL AFFAIRS

UGANDA—SUGGESTED ACTION AGAINST PRESIDENT AMIN IN VIEW OF ALLEGED ATROCITIES—STEPS TO PROTECT HUMAN RIGHTS

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Acting Prime Minister. The International Commission of Jurists has just reported to the United Nations that 100,000 people may have been killed by security forces in Idi Amin's six years and that arbitrary killings and torture are still going on. Today in the External Affairs committee, Ambassador Beaulne said that the report would not be discussed by the United Nations Commission on Human Rights before next February. Will the government now change its policy on human rights from quiet diplomacy to one of public leadership and express the moral outrage of Canadians by insisting that Idi Amin be excluded from both the Commonwealth Conference in June and the Commonwealth Games in Edmonton in 1978?

● (1450)

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, the hon. member has asked us to change our policy on human rights, inferring we have not already spoken out clearly and forcibly with regard to the violation of human rights in Uganda. Both the Secretary of State for External Affairs and myself have spoken, on behalf of the government, inside and outside the House, expressing our outrage at what is happening, at what has now been proved by the Committee of Jurists to be the situation. We have expressed our indignation in the House. We have made representations to the govern-

ment of Uganda. We have asked, as I recollect, for an independent inquiry to be made into the situation there. As for the other aspect of the question, I have no intention of commenting today on the question of representation at the Commonwealth Prime Ministers meeting in London.

Mr. Roche: I am sorry the minister did not respond to my specific question concerning exclusion from the games in Edmonton. May I ask him this question? Since the UN Commission on Human Rights has been crippled by the double standard adopted by African states, which are willing to criticize publicly discrimination based on policies of race but are unwilling to denounce publicly violations of human rights in Uganda, what steps will the government take to protest the increasing violation of human rights in the world as President Carter has done?

Mr. MacEachen: Mr. Speaker, I can only repeat what I have already stated. When the question was asked some time ago with regard to statements made by President Carter we in this House made similar statements. They have been public statements. The hon. member was in Winnipeg at the same time as I was there and heard the Secretary General of the United Nations analyze the various courses open to governments to indicate their concern about human rights. It is possible, as the Secretary General outlined, to get headlines by making public statements but sometimes these headlines do not have very much effect. Often they harden a situation and make it more difficult for people who are suffering the loss of human rights. So in each of these cases one has to analyze the likely effect of any course of action.

As the hon. member knows, with respect to the Edmonton games the government is doing everything possible at the present time to make them a success and to get all countries to participate. I wonder whether he understands the implications of his suggestion that at this moment we should say that one member of the Commonwealth be denied admission. It might result in the collapse of the games, which is not our intention.

* * *

TRANSPORT

HALL PROPOSAL FOR RATIONALIZATION OF RAIL LINES IN NORTHERN ALBERTA—GOVERNMENT POSITION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Transport. Have the minister and the government yet come to a decision with regard to the proposal contained in the Hall Report which suggests the union and rationalization of existing railway lines in northern Alberta and the territories. I say "existing" as opposed to the proposal to build a railway line in the Arctic. Has the government yet come to a decision and does the minister intend to get in touch with those whose have responsibility for the operation of the existing lines?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, a conclusion on this matter has not yet been reached but, clearly, we shall be in touch with the persons involved with the existing lines and also with the provincial governments.

Mr. Speaker: The hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I had a question for the Minister of Labour. He was here a minute ago. Perhaps he is behind the curtains.

Mr. Speaker: The hon. member for Selkirk.

* * *

CRIMINAL CODE

POSSIBILITY BOOK NO. 4 OF "SEX EDUCATION: A TEACHER'S GUIDE" CONTRAVENES CODE—REQUEST FOR REPORT

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is directed to the Minister of Justice and arises from a series called Sex Education: A Teacher's Guide and published under the authority of his colleague, the Minister of National Health and Welfare. Would the minister tell the House what he has found as a result of my special request to him that he look at that series, particularly at booklet No. 4, to find out whether it is in contravention of the Criminal Code?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I have not so examined it. I think I indicated to the hon. member that I would do so. I am fairly sure of what my answer would be, but in any case it is quite clear that any action called for would be taken by provincial attorneys general.

Mr. Whiteway: In light of the minister's answer that he has not yet looked at this, would he now undertake to consider this matter very specifically and report back to the House at an early date?

Mr. Basford: Yes, Mr. Speaker, I will. However, I would reiterate an answer given by my colleague, the Minister of National Health and Welfare, that the series of books referred to was published by his department to provide information on a vital subject for use in schools. As I understand my colleague's reply, they have proven very useful and have been in great demand by schoolteachers across the country as an aid to them in their very important work.

Some hon. Members: Hear, hear!

* * *

INCOME TAX

LEGALITY OF INCLUSION OF BENEFITS FROM LOW INTEREST LOANS AS INCOME FOR TAX PURPOSES

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, in the absence of the Minister of Finance I would address my question to the Acting Prime Minister. Yesterday the Minister of National Revenue, in answer to a question by my hon.

friend from Edmonton West, stated that her department had decided to include in income for tax purposes the deemed benefits from low-interest loans granted by employers to employees. Since the courts have already ruled that there is no obligation to charge a specified or, indeed, any rate of interest on loans, how can the Minister of National Revenue make such a ruling without such a legislative proposal coming before this House?

Miss Monique Bégin (Minister of National Revenue): After the usual consultations with the Department of Justice on this question, Mr. Speaker, I would advise the hon. member that we believe we are following the spirit and the letter of the law.

* * *

[*Translation*]

IMMIGRATION

POSSIBILITY OF REFERRING BILL C-24 TO A PUBLIC COMMISSION FOR AMENDMENT

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration.

Given the fact that Bill C-24 is before a standing committee of the House and since it is well known that it is not endorsed by many interest groups across the country and that clause 109(1) does not grant any power to the provinces—and I mean all provinces—except to decide on the number of immigrants, could the Minister inform the House whether or not he intends to send this legislation before a public committee so that interest groups and the general public might make representations to amend a bill which is merely robbing Peter to pay Paul?

[*English*]

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, perhaps I might pre-empt the Minister of Agriculture here. The bill referred to is, in fact, before a standing committee of the House. The committee is master of its own procedures. They have indicated the number of groups they wish to hear and recommendations for change will no doubt come from these various interest groups. We shall listen with open ears and an open mind.

* * *

UNEMPLOYMENT INSURANCE

GUIDELINES TO COMMISSION FOR DISTRIBUTION OF CONFIDENTIAL INFORMATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to address my question to the Minister of Manpower and Immigration with regard to the confidentiality of statistical information given to manpower offices. The minister suggested I should look at section 114 of the Unemployment Insurance Act which, he said, went a long way to protect the individual. I disagree, inasmuch as section 114 gives the Commission the authority to give out this information not only to its own employees but to any person providing it deems such a course advisable. My question to the minister is: are there any guidelines or regulations governing the conduct of the Commission with respect to distributing this highly confidential information?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, the hon. member did not read the whole section into the record. I understand his concern here, however, since I share it. I might tell the hon. member that we are exploring possible avenues by which the provisions governing the privacy of our records with respect to third party request can best be safeguarded. We have followed the letter and the spirit of that particular section and the information has not been made available to outside agencies. We are doing everything possible to strengthen the confidentiality of the section.

Mr. Alexander: I notice the minister did not answer the pertinent part of the question with respect to the rules and regulations. In light of the fact that Bill C-27 is before the House and that the minister has not registered his concern over this awesome power given the commission by the words, if I may quote them, "and such other persons as the commission deems advisable", will the minister now bring in an amendment to section 114 in order to remove those very damaging words? The minister has that opportunity now so will he see to it that that is done?

● (1500)

Mr. Cullen: Mr. Speaker, I do not know that I can give that commitment at this stage. However, as I said, the hon. member did not read it all. The act goes on to provide that this information shall be made available only to employees of the commission in the course of their employment and such other persons as deemed necessary for the control or management of the particular department.

Mr. Alexander: It does not say all that; don't stretch your imagination.

Mr. Cullen: I am prepared to look at the section, Mr. Speaker. Having been Minister of National Revenue I do recognize the importance of protecting confidentiality. I have the same interest in this matter as the hon. member.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, today I rise on a question of privilege which deals with a very important matter.

In a news bulletin broadcast by the CBC French network on Wednesday, May 11, 1977, Mr. Paul Racine, a journalist for that network, stated that according to information he had received from the Minister of Supply and Services (Mr. Goyer) five of our good Social Credit members were about to join the Liberal party; in other words, 50 per cent of the Social Credit caucus. Now, Mr. Speaker, such a statement on the part of a CBC journalist reporting the words of the Minister of Supply and Services deserves to be taken seriously, for it deals a blow to the reputation of each and every one of the Social

Credit members in this House. Further to that statement, Mr. Speaker, I therefore want to dispel all the confusion it may have created in public minds: I have never had any intention of joining the Liberal ranks. I was elected under the banner of the Social Credit Party of Canada and the electors of Shefford have given me their trust as a Social Credit member. I must, however, confess that I did allow myself to be misled once, in 1956, when the Liberal party, to get the votes of the Socreds, included in its platform the following social credit principle: That all that is physically possible and morally good must be made financially achievable. Now, that statement from the minister, as reported on the CBC news by Mr. Paul Racine, was intended to discredit Socred members during the by-elections, while trying to create an atmosphere of confidence in the Quebec federal Liberals by spreading the rumor that members of all parties are about to join the Liberal party.

Therefore, Mr. Speaker, I will conclude by dispelling any expectation the Liberal Party might have about me and I hope Radio-Canada is going to correct the impression it has created and will this time tell the truth instead of spreading mistakes and confusion which affect the credibility of individuals who are not all at the service of Radio-Canada or the Liberal Party.

Accordingly, I move, seconded by the hon. member for Champlain (Mr. Matte):

That the Minister of Supply and Services (Mr. Goyer) tell the House the names of the five hon. members of the Social Credit Party who, according to him, are about to join the ranks of the Liberal Party, as he gave them to Mr. Paul Racine.

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I will merely assure the House that the hon. member for Shefford (Mr. Rondeau) is not among them.

Mr. René Matte (Champlain): Mr. Speaker, I raise the same question of privilege of which I gave you notice of yesterday. I think that, even though I am sometimes accused here of all kinds of things, the worst thing I can be accused of is the intention to join my hon. friends opposite. The only thing—

An hon. Member: We do not want you!

Mr. Matte: No, don't be afraid. The only thing they will get from me is to make me red, but only out of anger.

Mr. Speaker, I think that when the Minister of Supply and Services (Mr. Goyer) suggests, without giving any names, that half of the members of the Social Credit Party have been approached and were tempted to go over to the Liberals, it is like a sword of Damocles over our heads, and we bear all the outrages and consequences of it.

So, it is extremely important that the minister have the courage and the honesty to say to the House who are the members in question, so that the privileges of hon. members be preserved.

An hon. Member: If they have names, let them give them! This is dishonest!

[Mr. Rondeau.]

Mr. Matte: That is why, Mr. Speaker, we will make arrangements to get that matter referred to the Committee on Privileges and Elections, so that we are no longer manipulated by that arrogant party, which is willing to do anything, even lie, to have people believe that we all share their famous views on national unity, whose only result is to create disunity in Canada.

[*English*]

Mr. Speaker: I am sure all hon. members realize that despite the passion and the very great importance of the subject matter which has been discussed, it would be an unwarranted and rather spectacular extension of the concept of a question of privilege if I were to attempt to include every suggestion that what had been said by a minister of the Crown was in some way inaccurate.

Mr. Oberle: Mr. Speaker, I am taking this first opportunity to address myself to a matter which I think offends the privileges of the hon. member for Kingston and the Islands as well as the privileges of the House. Obviously inadvertently, the Minister of Energy, Mines and Resources during the question period led the House and the hon. member for Kingston and the Islands to believe that it is not the intention of the government at the present time to pursue the prospect of reprocessing nuclear waste for the purpose of extracting plutonium to double the efficiency of our reactors. Evidence from officials of AECL given in committee this morning indicated that that company, a Crown corporation, does not only have a mandate to develop, but is spending $8 million this year on developing not only technology but gadgetry for the reprocessing of plutonium.

I should like Your Honour to direct the minister to make a statement in the House as to the government's policy in this regard, and to state why he made this statement knowing full well that this kind of activity is going on within the corporation.

Mr. Gillespie: Mr. Speaker, as I understood the question of the hon. member for Kingston and the Islands, it was, "Has the government taken a decision on whether to authorize AECL to go into the plutonium recycling business?", or words to that effect. I made it quite clear that the government has taken no decision; that AECL has not been authorized to build reactors based on this potential technology. The option is being considered by the government, and no decision has been made at the present time.

• (1510)

Mr. Speaker: Order, please. The hon. member for Prince George-Peace River raises a question of privilege which is essentially a difference of interpretation of language. It is perhaps a disagreement, but certainly not a question of privilege.

Mr. Leggatt: Mr. Speaker, I would like to raise a matter of privilege concerning the answer given in this House today by the Minister of Energy, Mines and Resources to the last

question I asked. At that time the minister left the impression in the House that other provinces of Canada had not indicated a willingness to participate in a national insulation program.

The reason I am suggesting the minister has misled the House is that the documents I relied upon in my question were documents tabled before the Standing Committee on National Resources and Public Works yesterday, and those documents were also tabled at the energy ministers' conference on May 11. I would like to refer the House to the second page of that document which indicates that three provinces—British Columbia, Manitoba and Nova Scotia—have implemented a loans program. The federal government has contributed to the Nova Scotia program. Since that time, Ontario has indicated a loans program in a national insulation project. These provinces have clearly indicated their willingness to participate in a national program.

The Minister misled this House in saying that the provinces are not willing to undertake a national insulation program with the federal government. The minister can now proceed with the provinces of British Columbia, Nova Scotia, Manitoba and Ontario by simply providing federal grant funds for national insulation programs in those provinces, and we can begin next week on a national insulation program.

Mr. Gillespie: Mr. Speaker, I think the hon. member has exaggerated and distorted the situation out of all recognition. If he will look at the "blues", he will see I gave him an answer which indicated that if there was further evidence from the provinces that they were prepared to enter into programs of an insulation nature, I would like to receive it.

I am well aware of the initiatives taken by the province of British Columbia, the first province to do so through their public utilities. I have given them a great deal of recognition and have urged other provinces, other provincial utilities, other private utilities, other private companies and other commercial interests as well to follow the lead taken by the British Columbia government in this regard. That initiative on the part of the British Columbia government was not tied to a national insulation program in any way; it was done for their own purposes. In the case of Manitoba, I believe this was done for provincial reasons and it was not done from the point of view of its being a condition of a national insulation program. I applaud that initiative.

The most recent one the hon. member referred to is the province of Ontario. The announcements and the letters I have seen from the premier of the province indicate that the province of Ontario is going to introduce some kind of insulation loans program. It is not conditional in any way upon a national program or a grants program provided by the federal government. Quite clearly, these are loans programs being introduced by the provinces for their own purposes. They are sound initiatives, and I would urge other provinces to follow their lead. They are not conditional upon either a grants program or a national program.

Mr. Herbert: Mr. Speaker, my point of order is to request from the Chair clarification of your ruling today. I was attempting to put a question to the Secretary of State concerning an inquiry instituted by this government which is to be reported by a certain fixed date. The intentions of the government today concerning what it is going to do with that inquiry will have a major impact on committee activities which will take place this afternnon. I say "major impact" because, obviously, whatever happens this afternoon could have an effect on the life of the House. I am, therefore, somewhat puzzled why a question concerning the government's intention in connection with an inquiry, which the government has instituted itself and which is to be reported by a certain fixed date, should be considered as hypothetical.

Mr. Speaker: Of course, the hon. member for Vaudreuil realizes that he asked the minister what he would propose to do with the oil report when the report is received. In its very terms, that is obviously entirely contingent upon an event which has yet to take place. The hon. member also asked the minister if he would be favourably disposed to some kind of examination of the problem in a future parliament. Surely the hon. member realizes, by the very terms of the questions he put to the minister today, that both questions were hypothetical in their language and totally dependent upon an event which has yet to take place. There could be no other interpretation except that the minister's answer would have to be based on a hypothetical premise.

If any committee hearing is dependent upon answers by the minister, it might be incumbent upon the committee, therefore, to invite the minister to answer such questions before the committee. He certainly cannot answer them here.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, I wonder if I might ask the government House leader his intentions for the balance of this week, and into next week, in terms of the legislative program, and whether or not he is prepared to allocate an opposition day or days next week; and, if so, what days?

Mr. MacEachen: Mr. Speaker, in reply to the hon. member's question, the plan tomorrow is to continue with second reading and other stages of the Excise Tax Act, to be followed by the Bretton Woods bill, and then we would deal with two transport bills: the aeronautics bill, C-46, and the Air Canada bill.

I would be ready to designate next Thursday as an allotted day. Later today, or tomorrow, I hope I will be able to indicate to hon. members the program beyond the four bills I have mentioned.

Order Paper Questions

ROUTINE PROCEEDINGS

[*Translation*]

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Third report of Standing Committee on External Affairs and National Defence—Mr. Prud'homme.

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

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul E. McRae (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the following questions will be answered today: 1,053, 1,634, 1,798, 1,950, 1,990, 2,287, 2,301, 2,327, 2,348, and 2,437.

[*Text*]

REMUNERATION RECEIVED BY EMPLOYEES OF STATISTICS CANADA FOR SERVICES RENDERED OUTSIDE OF OFFICIAL DUTIES

Question No. 1,053—**Mr. MacKay:**

1. Since April 1, 1970, has any employee of Statistics Canada (a) at the management level, (b) below the management level received any remuneration for services rendered outside of his or her official duties at Statistics Canada from any private organization which at that time had a contract with Statistics Canada and, if so, in each case, what (i) is the name and classification of the employee (ii) is the name of the organization which paid the employee (iii) was the nature of the service rendered (iv) was the amount involved and the date of payment?

2. Since April 1, 1970, has any Statistics Canada employee at the management level, or the immediate family of any such employee, had a financial interest in any organization involved in data processing, storing and/or dissemination and, if so, in each case (a) what is the name and classification of the employee, (b) what is the name of the organization, (c) what was, or is, the extent of the financial interest, (d) on what date was the financial interest acquired and on what date was it terminated, if applicable, (e) did the organization have any financial dealing with Statistics Canada and, if so, what was the (i) date of the transaction (ii) amount involved (iii) nature of the involvement, (f) did the organization engage in commercial activity parallel or quasi-parallel to the official activities of Statistics Canada?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that as of November 23, 1976: 1. (a) Not to our knowledge. (b) Not to our knowledge.

2. With the exception of the case detailed in the answer to House Question 764, none* to our knowledge. (Tabled on Nov. 3, 1976).

---

* Since 1970 several employees have reported that they hold common stock, (the value of which exceeded $2,500), in a variety of major corporations. In some cases these corporations or their subsidiaries are probably involved in data processing, storage or dissemination activities, but these activities would not be described as parallel or quasi-parallel to the official activities of Statistics Canada. None of the employees in question has, in the course of their duties, access to the identifiable confidential records of the corporations in which they have invested or the competitors of these firms nor do they have responsibility for awarding or administering potential contracts with these corporations or their competitors.

PUBLIC WORKS—RENTED SPACE IN PROVINCE OF QUEBEC

Question No. 1,634—**Mr. Coates:**

How much space is rented by the government in the Province of Quebec and what is the estimated total amount to be paid to property owners for the fiscal year 1976-77?

Hon. Judd Buchanan (Minister of Public Works): As of January 31, 1977 the Department of Public Works was renting 4,579,118 square feet of space. The estimated total amount to be paid to property owners during 1976/77 fiscal year is approximately $33,340,976.

DEPOSITS BY GOVERNMENT AND CROWN CORPORATIONS IN CHARTERED BANKS

Question No. 1,798—**Mr. Lambert (Bellechasse):**

For each of the past five financial years, what were the deposits by the government and Crown corporations in (a) financial institutions, (b) charter banks, (c) credit unions (d) co-operative credit societies?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): (a) and (b)

Amounts on Deposit by the Government and Crown Corporations in Chartered Banks
(in millions of dollars)

	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
Month	FY 1972-73		FY 1973-74		FY 1974-75		FY 1975-76		FY 1976-77	
April	1,303.5	89.6	2,029.2	81.6	603.7	89.2	3,084.4	44.3	2,191.4	30.4
May	1,263.5	66.1	2,389.7	67.4	574.5	66.4	3,393.4	38.3	2,422.9	40.2
June	812.5	84.8	2,207.6	88.4	679.5	95.5	2,664.4	57.7	2,133.6	57.7
July	912.9	69.2	2,065.9	74.2	876.7	61.2	2,310.7	35.9	2,160.3	33.6
August	734.9	61.5	2,047.9	70.4	1,065.7	57.2	2,139.7	30.5	2,469.2	48.7
September	444.0	67.5	1,809.9	71.6	862.7	70.6	1,278.7	51.2	1,823.2	35.4
October	503.1	64.5	1,660.3	64.1	1,163.7	63.3	1,124.5	45.6	1,908.6	28.6
November	2,019.1	62.0	1,890.2	70.6	5,052.3	69.3	4,044.4	33.6	4,050.3	35.3
December	2,380.1	88.8	2,335.0	138.5	4,703.6	98.7	3,667.7	81.7	3,266.4	65.9

Amounts on Deposit by the Government and Crown Corporations in Chartered Banks
(in millions of dollars)

	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
January	2,492.1	60.7	1,916.7	68.8	4,619.0	43.8	3,850.2	40.2	4,357.8	60.8
February	2,348.1	71.1	1,475.3	76.8	3,807.2	39.2	3,377.5	52.5	4,343.8	32.0
March	1,936.6	107.6	750.7	119.3	3,174.2	74.1	3,030.8	44.3	3,571.4	Not available

(1) Government
(2) Crown Corporations

NOTE: The amounts shown for Crown corporations are based on monthly figures reported by the Crown corporations to the Receiver General.

(c) and (d) The Receiver General does not maintain amounts on deposit with credit unions or co-operative credit societies as this is prohibited under the Financial Administration Act.

POST OFFICE—COURIER SERVICES

Question No. 1,950—**Mr. Peters:**

1. What courier services are used to handle special mail and documents in the postal areas in the Constituency of (a) Timiskaming, (b) Timmins, (c) Cochrane, (d) Sudbury, (e) Nickel Belt, (f) Nipissing?

2. (a) What is the total cost for courier services in each Constituency, (b) what is the amount received by each courier service?

Hon. J.-J. Blais (Postmaster General): 1. None.

2. Not applicable.

FOOD ADDITIVES IN BRAND NAME FOODS

Question No. 1,990—**Mr. Yewchuk:**

By chemical and commercial nomenclature, which (a) anticaking agents (b) bleaching, maturing and dough conditioning agents (c) colouring agents (d) emulsifying, gelling, stabilizing and thickening agents (e) food enzymes (f) firming agents (g) glazing and polishing agents (h) non-nutritive sweetening agents (*i*) pH-adjusting or acidulating agents (j) preservatives (k) sequestering agents (l) starch modifying agents (m) yeast foods (n) carrier and extraction solvents (o) humectants (p) anti-foaming agents (q) whipping agents (r) flavouring agents (s) vitamins (t) minerals (u) amino acids, are added to (i) Heinz Infantsoy baby cereal (ii) Pablum (iii) Aunt Jemima waffles, frozen (iv) Maple Leaf bacon (v) Toastmaster bread, white (vi) Kraft Parkay margarine (vii) Kellogg's Cornflakes (viii) Kellogg's Sugar Pops (ix) Taster's Choice Instant Coffee (x) Dominion coffee whitener (xi) Lipton's chicken noodle soup (xii) Kraft Cheese Dinner (xiii) Loblaw's ground beef (xiv) Hamburger Helper (xv) Kraft cheddar cheese (xvi) Cheese Whiz (xvii) McCains Fries, frozen (xviii) Hostess Chips (xix) Jell-o, strawberry (xx) Chocolate Quik (xxi) Coca Cola (xxii) Safeway sirloin beefsteak (xxiii) Frozen salmon (xxiv) Sherrif's Mashed Potatoes (xxv) Green Giant tinned peas (xxvi) Kraft pizza mix (xxvii) Mazola oil (xxviii) Crisco shortening (xxix) Five Roses white flour (xxx) Kraft salad dressing, coleslaw (xxxi) Dream Whip (xxxii) Borden's ice cream, chocolate (xxxiii) E.D. Smith pie filling, lemon (xxxiv) Sunkist oranges (xxxv) Labatt's "50" beer?

Hon. Marc Lalonde (Minister of National Health and Welfare): It is optional, not mandatory, to add food additives to foods. Therefore, the department does not maintain lists either of brand names of foods, or the specific ingredients in specific foods. The detailed information requested can be obtained by reading package labels and by consulting the Food and Drug Regulations.

LATEST PRINTING OF CANADIAN BILL OF RIGHTS

Question No. 2,287—**Mr. McCleave:**

1. On what date was the latest printing of the Canadian Bill of Rights and (a) by whom, (b) in what quantity, (c) at what cost?

2. (a) How was the distribution of the printing carried out, (b) what quantity remains?

3. Were charges levied for some or all of such copies and, if so (a) at what rate, (b) what amount was raised, (c) into what public fund was it paid?

4. (a) Were Members of Parliament provided copies without charge for their own distribution and, if so, on what basis, (b) has such provision been stopped and, if so (i) by whom (ii) for what reason?

5. What consideration was given to providing copies to Members of Parliament on a similar basis to their receiving the Canadian flag without charge and for what reason is the practice not similar?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. March 16, 1977. (a) Thorn Press, Toronto; (b) 5,500; (c) $3,382.

2. (a) The printing was ordered to replenish sales stock in the mail order service warehouse; (b) As of April 4, 1977, 5,000.

3. Yes. (a) Various rates depending on customer's discount status as described in the regular discount policy; (b) A maximum amount of $625; (c) Supply Revolving Fund.

4. (a) No, in so far as the Department of Supply and Services is concerned. Members of Parliament, pursuant to T.B. 667239 had the opportunity of requesting one copy at the time of release of the first printing in 1961. (b) No. Distribution pursuant to T.B. 667239 continues; (i) n/a; (ii) n/a.

5. Distribution of the Canadian flag to Members of Parliament is controlled by the Secretary of State Department.

APPLICATIONS FOR CANADA WORKS PROGRAMME AND YOUNG CANADA WORKS PROGRAMME

Question No. 2,301—**Mr. O'Sullivan:**

To date, how many applications for the (a) Canada Works Programme (b) Young Canada Works Programme have been received from the Constituency of (i) Hamilton-Wentworth (ii) Hamilton West (iii) Hamilton East (iv) Hamilton-Mountain (v) Halton-Wentworth (vi) Halton and, in each case, what number and percentage of these applications have been successful?

Hon. Bud Cullen (Minister of Manpower and Immigration):

Constituency	(a) Canada Works Applications Received	(b) Young Canada Works Applications Received
Hamilton-Wentworth	12	6
Hamilton West	33	29
Hamilton East	20	10
Hamilton-Mountain	18	19
Halton-Wentworth	9	13
Halton	32	11

NOTE: As of the date of the question, the assessment approval phase of these programs had not been completed, and thus statistics on applications approved cannot yet be provided.

Order Paper Questions

CONTRACT FOR MAINTENANCE AND REPAIRS TO COMPUTER AT NORTH BAY, ONTARIO

Question No. 2,327—**Mr. McKinnon:**

Did the government let contract No. 1EY.1059W-6-1010M in the amount of $718,842 for maintenance and repairs to the computer at North Bay, Ontario and, if so, what would it cost to replace it with a new and modern computer?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The government issued contract file No. 1EY. 1059W-6-10M in the amount of $718,842.02 on March 9, 1977, for the maintenance of and repairs to the AN/FSQ7 SAGE Computer that is installed at CFB North Bay. The AN/FSQ-7 was provided to the Department of National Defence by the USAF who retain title. The above noted costs are funded jointly by the Department of National Defence and the USAF which pays two-thirds of the costs. The costs for a replacement computer system including peripherals, displays, software installation, training and support is estimated to be approximately $30,000,000.

DISPOSAL OF EARTH SCIENCES ISSUE AND OTHER STAMPS BY CROWN ASSETS DISPOSAL CORPORATION

Question No. 2,348—**Mr. Gillies:**

Did Crown Assets Disposal Corporation dispose of a large quantity of the Earth Sciences issue and other stamps and, if so, in each case, what issue was sold (a) to whom, (b) at what discount from the face value, (c) was it sold by tender, (d) was it offered for public sale?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): No. (a) to (d) Not applicable.

PURCHASE BY GOVERNMENT OF 4 × 4 VEHICLES FROM GENERAL MOTORS CORPORATION

Question No. 2,437—**Mr. Lambert (Bellechasse):**

Has the government bought 4 × 4 vehicles from General Motors Corporation and, if so (a) how many, (b) at what price, (c) were tenders called?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): (a) 2,848 1¼ ton 4 × 4 utility trucks; (b) $9,376 (average price per vehicle, depending on options); (c) The contract was awarded February 4, 1975 as a result of Invitations to Tender issued to Canadian truck manufacturers producing a vehicle in the range required.

* * *

[English]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Paul E. McRae (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, if questions Nos. 717 and 975 could be made orders for return, these returns would be tabled immediately.

[Mr. Cullen.]

[Text]

PENAL INSTITUTIONS IN CANADA

Question No. 717—**Mr. Coates:**

1. What is the total number of penal institutions of all types in operation in Canada and, what (a) are their names, (b) are their locations, (c) is the number of inmates in each?

2. In each institution (a) how many employees of the Canadian Penitentiary Service are employed and what was the comparable employment for the same period in 1975, (b) what is the total payroll?

3. (a) How many disturbances have occurred at each institution since January 1, 1974, (b) on what dates, (c) how many inmates were involved?

4. How many (a) escapes have taken place at each institution since January 1, 1974, (b) inmates were involved in each escape, (c) of the escapees are still at large?

5. How many female employees are associated with each institution and, in each case, how many come in daily contact with the inmates?

Return tabled.

STATISTICS CANADA

Question No. 975—**Mr. MacKay:**

1. Have employees of Statistics Canada, in the management category, been asked to file written declarations listing their corporate and business involvements, stock investments exceeding $2,500 in value, commodity holdings, outside income sources and outside offices and, if so, how many were (a) asked to file, (b) in fact filed such declarations?

2. In each category of holding or interest (a) how many indicated that they had no holding or interest, (b) what was the total value declared?

3. (a) What was the total value of declared holdings or interest, reported by management level employees, by 3-digit SIC classification, (b) what was the distribution of these employees by salary range in $5,000 intervals?

4. (a) How many employees travelled on official business outside Canada in (i) 1970-71 (ii) 1971-72 (iii) 1972-73 (iv) 1973-74 (v) 1974-75 (vi) 1975-76 (vii) 1976 to date (b) in each case, what were (i) the names and salary ranges of employees involved (ii) the dates and destinations (cities) of each official trip (iii) the costs to the public purse?

5. What is (a) the function of the job (b) salary range of the Co-ordinator, International Relations, located in the office of the Chief Statistician?

6. (a) What travelling at public expense has been done by Dr. Sylvia Ostry since April 1, 1970 (b) in each case, what was the (i) destination (city or cities) (ii) dates (iii) costs to the public purse?

7. What is the policy of the government for security clearance of employees working in Canada, who are not Canadian citizens and whose jobs involve access to classified information?

8. (a) What level of security clearance is required for the incumbent of the position (i) Director, External Trade Division (ii) Director General, General Statistics Branch, in Statistics Canada, (b) in each case, to what categories of classified material have they access?

9. What level of security clearance was given to Mr. Jacob Ryten in his (a) former position of Director, External Trade Division, (b) present position of Director General, General Statistics Branch, Statistics Canada?

Return tabled.

* * *

[English]

STARRED QUESTION

Mr. McRae: Mr. Speaker, would you be so kind as to call starred question No. 2280?

[*Text*]

*NATIONAL DEFENCE—PERSONNEL STRENGTH AND CONCESSIONS/FRANCHISES—CFB BORDEN

Question No. 2,280—**Mr. Rynard:**

1. What are the names of all the concessions or franchises at CFB Borden, Ontario?

2. What is the procedure used in granting these concessions or franchises?

3. Has there been an increase in rental rates charged to these concessions or franchises and, if so, on what basis are the increases made?

4. What was the cost for each year 1970 to 1976 for (a) maintenance, (b) heating, (c) water, (d) electricity of the building in which the concessions or franchises are located?

5. For each year 1970 to 1976, what was the total (a) civilian, (b) armed service personnel population of CFB Borden?

[*English*]

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, in view of the lengthy answer I wonder if the House would be disposed to have the answer tabled and recorded in *Hansard* as read?

Some hon. Members: Agreed.

Editor's Note: The answer referred to above follows:

Mr. Dionne (Northumberland-Miramichi): 1. Bank of Montreal; Bank of Commerce; Dr. Scott, Dentist; Dr. Walasek, M.D.; George's Coiffure; Circled Pine Coiffure; Wright Dry Cleaners; Lancaster Barbershop; Harold's Barbershop; CFSAL Barbershop; Muriel's Taxi; Courtesy Taxi; Essa Taxi; Income Tax, Assistance Office; Jack Rice Caterers; Orangeville Bottling, Vending Service; Simcoe Coin Sales, Amusement Machines; Newspaper Vending, Toronto Sun; Snow Removal, Tom Darnley; Snow Removal, Merv Johnston; Georgian Vending, Catering Service; Cadet Cleaners.

2. Under section 38(1) of the National Defence Act the Base Commander selects the person or company that is most likely to provide the best service to the personnel at the base and the best financial return to the base fund (a non-public fund). Depending on the type of concession desired and on the number and quality of agents or agencies able to provide the service, the Base Commander may advertise, may call tenders, or may negotiate directly.

3. Yes. Increases are based on the consumer cost of living index and on the change in the amount charged to Non-Public Fund activities by the Government for utilities and maintenance.

4. These data are not readily available since charges for non-public fund activities which include concessions messes, and Non-Public Recreational facilities are all based on a rate per square foot, and the accounting system is such that actual separate costs cannot be captured for each location. The rate per square foot is intended to reimburse the Crown for utilities, routine maintenance and basic services such as snow removal, garbage removal and fire protection and is based on a general average.

5. (a) and (b)

Economic Situation

CFB Borden Population

	Permanent Military Staff	Course Students (Duration of stay 1 wk to 6 mo)	Other Transient Personnel (average stay 3 nights)	Civilian Personnel	Dependants
1970	2,408	Not available	Not available	1,404	Not available
1971	2,227	7,944	Not available	1,342	Not available
1972	2,970	9,192	Not available	1,338	Not available
1973	2,980	10,064	Not available	1,337	Not available
1974	3,249	11,396	4,028	1,337	Not available
1975	3,169	12,529	4,537	1,340	Not available
1976	3,329	13,414	6,313	1,340	3,944

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

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

● (1520)

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED GOVERNMENT RESPONSIBILITY FOR "ECONOMIC DISORDER"

Mr. Claude Wagner (Saint-Hyacinthe) moved:

That this House holds the Government directly responsible for the present economic disorder in Canada and the disastrous consequences of that disorder upon the spirit and unity of the country.

He said: Mr. Speaker, the debate which we are initiating is timely. It affords us an opportunity to deal once more with the problems confronting Canada at the present time and with the kind of direction which our country needs to come out unscathed and, let us hope, strengthened as a result of the serious crisis which it is now experiencing.

To become aware of the general dissatisfaction in Canada and the concern which is taxing at the utmost our collective energies, we only have to take note of the complaints voiced by the media and to add our personal observations. This is why if we wish to avoid the social disorders now afflicting other countries, we must make a collective effort of reflection and join in a common quest for remedies required under the circumstance. This debate is therefore an opportunity for us to undertake a constructive dialogue through which we could begin to fashion the new society of which we all dream.

However, being responsible for the direction of the country, the government must take special care to restore the economy and satisfy the legitimate political yearnings of various areas of the country. Indeed, Mr. Speaker, the unrest felt in Canada

is due to a defective leadership in economic endeavours and a false conception of what the political leadership ought to be at the present time. The outstanding characteristic of that chaotic policy often arising from panic has been disproportion. No other government has so coldly and cruelly left so many workers unemployed.

There is no other example either of a government which, over a nine-year period, has allowed inflation to get out of control and has given it such a strong impetus by increasing during that period its own expenditures by more than 200 per cent. Even its most commendable initiatives have only met with a partial success. I am referring in particular to its policy on regional economic expansion of which the Economic Council of Canada was quite critical recently. I am sure the Minister of Regional Economic Expansion (Mr. Lessard) will forgive me for saying this, because I know that he, perhaps more than any other, knows that the 1968 act did not have the impact that everyone expected. Regional economic disparities remain unabated. It is fair to say, Mr. Speaker, that in economic matters, the government has often started by building the roof instead of the foundations. The best example of this is perhaps the job-creation program.

Although it has its merits, no one can claim that it is an adequate answer to the chronic unemployment which affects so many Canadian regions and provides young Canadians especially with legitimate grievances.

I sincerely hope that Quebec City and Ottawa will play down their political differences and finally agree on a daring development program for the weakest or most promising industrial or regional sectors.

I take this opportunity to urge the government to deal most urgently with the critical situation in the Montreal building industry. Making Montreal a designated area, as it was two years ago, might relieve the unemployment situation, for some 40 per cent of construction workers in Greater Montreal are unemployed. I feel agreements in the areas of urban renewal, housing, water treatment plants and public transport system improvements are called for. They would certainly do more to revive the Montreal economy on a permanent basis than the construction of a giant complex such as Place Guy Favreau, as there is already in Montreal a plethora of office space.

We could discuss at length this problem of regional economic disparities and the government's inability to deal with it alone. The Economic Council of Canada, in the report I referred to a moment ago, rightly observed that the provinces were unduly left out of the implementation of programs designed to give a new impetus to their economy. It cannot be held against them when one of the main complaints of provincial governments is that they lack the financial means required to step up industrial development. Our long-standing tax system has too often compelled them to beg for federal funds. Such requests have resulted in delays and municipalities were the most heavily hit. Much delay would have been prevented if, in addition to a decentralization of taxation powers that has now become urgent, there had been between the federal and provincial governments a body to coordinate their economic policies.

It was to such an agency that I was referring on February 21 last in this House, when I expressed the wish that an economic planning council be set up, or if you prefer, a national priorities council, to determine the joint undertakings of both levels of government in such sectors as industrial development.

Mr. Speaker, federalism cannot be judged solely on its economic profitability. However, every area of the country is still justified in wondering what benefits it derives from its participation in the Canadian confederation. Without relying blindly on figures and taking into account the intangible benefits of a social and especially political nature that the provinces derive from their belonging to a federated Canada, I hope that we will be better informed in the future about the economic aspects of Canadian federalism.

If only to enlighten those who run the country about the impact of certain measures on local economies, this type of study should be encouraged. If we were to discover that, indeed, such and such an area is unduly disdavantaged, it would then be possible to change our course without demanding, like the Péquistes, that the whole house be torn down because it needs repairs.

Incidentally, Mr. Speaker, that is the type of action that should be taken by the special unit set up recently in the Privy Council, supposedly to develop a strategy against the separatist movement in Quebec. We know very little about this group's terms of reference. For my part, I hope that it will not be content to find arguments against Quebec independance or to devise counter-tactics against the referendum. This agency should rise above mere controversy. It should undertake an in-depth study of Canadian federalism, in order to reveal its unquestionable merits, but without hiding its deficiencies or questionable orientations. I do not believe that the secrecy around the activities of this special unit is very healthy from a democratic standpoint. In fact, the government would be well-advised to refer its terms of reference to a parliamentary committee.

I would go even further. In this battle to save Confederation from the anguish of a break up, all supporters of federalism, no matter to which party they belong, should close ranks in a common strategy. The defence of the federative system is nobody's prerogative. This is why I suggest the creation of a parliamentary commission of members from all parties to diagnose the ills from which the present system may be suffering. This commission, which would be one of national conciliation and even reconciliation, could from the outset concentrate its efforts on identifying the causes of the national tensions. Having duly pin pointed them and considered the representations of the parties involved, the commission could submit a vast range of propositions arising from such representations and aimed at solving the difficulties about which we feel justified to complain. This first step would certainly be part of a long process which should eventually lead to the

constitutional reform whose necessity no one any longer denies.

That kind of political clearing house might make it possible to better determine what powers remain essential for the central government to keep the country together and what powers could be better exercised by the provinces so as to speed up the development of the various areas without jeopardizing Canada's federal nature.

● (1530)

[*English*]

As I said a moment ago in French, parliament should be associated more closely with the search for adequate solutions to the present national crisis.

Some hon. Members: Hear, hear!

Mr. Wagner: One way to do so would be to set up a parliamentary committee on a non-partisan basis. Its mandate at the start could be only to identify areas of conflict between the central and provincial governments and to deal in depth with their causes. Having done so, this committee could very well proceed further with substantive proposals of its own. In the meantime, this committee could very well examine the work being done by the special unit in the privy council dealing with the issue of national unity and about which very little is actually known by this House.

[*Translation*]

In that respect, Mr. Speaker, it is unfortunate that such a long time after the crisis started this government has not managed to make a greater contribution to the study and solution of the constitutional problem. I know that the Prime Minister will point to the Victoria Charter, but on second thought he will admit that it failed to meet all the claims not only of Quebec but of several, if not all, other Canadian provinces. It is all very well for the head of the government to say he is open to compromise and in the same breath express skepticism about the need for or the chances of success of such discussions. It is also very easy to build up an artificial popularity by denouncing Quebec separatists without considering why they advocate the secession of Quebec. Finally, it is very easy to claim that Canada is indivisible while too often, unfortunately, saying things that are likely to divide it even more. Such behaviour cannot protect Canada for long against the forces that would break it up.

It should be recognized, Mr. Speaker, that we, of the Progressive Conservative party, did not wait until November 15, 1976 to worry about the growing discontent in Quebec with the kind of federalism we have had for at least a decade. For at least a generation we have been cautioning Canadians against the dangers of en excessive centralization and we have in many areas proposed alternatives to alleviate tensions and bring about a better political balance in this country. If one really wants to be objective, it is obvious that our contribution to the constitutional dialogue is great and worthwhile, and that we have no lesson to take from anyone on Canadianism, quite the contrary.

[*English*]

One should be careful, however, not to confuse, among reforms advocated by the Parti Québécois, those which are specifically of a separatist nature and those which are also demanded by genuine federalist parties in Québec. From Alexandre Taschereau in the thirties, for example, down to René Lévesque, there has been a striking continuity of complaints about the way Canadian federalism has been implemented in such sensitive areas as social security and communications, to mention only those two issues. That the Parti Québécois calls for complete separation in order to solve its differences with Ottawa does not necessarily mean that its grievances are without foundation and that they should be dismissed summarily. It is my hope and, indeed, my deep conviction, that at the forthcoming referendum Quebeckers will reject the separatist solution to their problems.

Some hon. Members: Hear, hear!

Mr. Wagner: But the yearning for a larger freedom of action at the political level will not die automatically. Ethnic groups naturally tend toward nationhood and statehood, and Quebec is no exception. The only way to avoid the final break-up of Canada in the future is for all of us to try hard to find ways of channelling the tremendous energies of the Quebec revolution into a new constitutional framework in which Quebec would more adequately assert herself culturally and economically.

Some hon. Members: Hear, hear!

● (1540)

[*Translation*]

Mr. Wagner: It is a fact that the Quebec premier's attitude is hardly better than that too often shown by the Prime Minister. Constant use of excessive language is no way to create between opponents a more sober climate, the lack of which might tear the country apart, and Quebec itself might never recover from that. Let Mr. Lévesque prepare his referendum, since he has a mandate to do so, but let him remember in the meantime that as premier he is committed to respect the existing constitution.

Mr. Speaker, when 300,000 Quebecers are unemployed, when investments dwindle and nervousness takes hold of those who could help Quebec get on its feet again, the provincial premier has no excuse to take a rigid, dogmatic attitude which has no factual basis. Instead of behaving as if the people in Quebec had voted for independence, Premier Lévesque would be better advised to use the tools at hand to restore a disquietly declining economy.

In addition, Mr. Lévesque should stop fooling himself on the chances for a mutually agreeable separation. It takes a good deal of naivety to believe in pleasant divorces. If the Quebec premier persists in going his way in the face of Canadian hostility and international indifference, Quebecers will pay the price. And the price will be high in moral prestige, political influence and economic welfare.

But it will not be enough for Canadians to counter separatism. We will have to learn the lesson and amend our political structures in such a way that each province, and especially Quebec, feels at home in a renovated federalism. In that respect, we should clear up a misunderstanding on which the Prime Minister has been relying too long in his attempt to counter secessionist forces in Quebec.

According to him, the general implementation at all political levels of the Official Languages Act alone would put an end to separatism in Quebec. This is a confusion between the aspirations of French Canada to cultural equality and those of French Quebec to political equality. However praiseworthy and necessary a bilingualism policy, it could not replace a constitutional reform. Only that reform is ever likely to conciliate the desire of French Quebec to become a separate political entity and its need to rely on federal structures able to extend its influence and to amplify its action. It is only under that condition that we will save Canada.

But in the meantime our two main linguistic communities must learn to live together and to develop freely in the mutual respect of their culture. Our history is such that our two founding people are united in blood and that modern Canada was born under the banner of war. It would be vain today to resume yesterday's fights in another form. I for one, Mr. Speaker, am prepared to forget the Plains of Abraham but in return I expect I shall not be reminded of them every day.

This is why, when the issue of minorities is more acute than ever, all Canadians of good will should find the answer in the fairness of a language policy and the fraternity of collective relationships.

To do this, we should consider drafting a charter of minorities that would define the linguistic and the educational rights of the English and the French elements of Canada. Time has come to proclaim *A mari usque ad mare* the equality of our two main national linguistic communities. Time has come to assert that local communities issued from them have the right to live and develop freely under the protection of laws and to the extent permitted by an heterogeneous environment.

I am not thinking, Mr. Speaker, of a mere statement proclaiming the equality of both official languages and the right of the two funding people to obtain from the state the means to achieve it. This charter of minorities should proclaim the basic right of men to belong to the culture they want and the obligation for the administration to allow them to exercise this right without legal restraints or worries. But the achievement of this purpose, Mr. Speaker, is yet a long way ahead. I happen to wish some times that Canadians get rid of the words generosity, tolerance and understanding in their vocabulary and replace them by one term: acceptance. We shall have to do just that if ever we want our country to survive the disruptions which have too often shattered it. Either we shall decide to accept one another with every compromise that our living together requires, and then we shall see the prospect of a tranquil and great future for Canada; or we shall meanly deprive the other linguistic group of its place in the sun, and then the clouds will grow darker still and the storm will roar.

[Mr. Wagner.]

Please God that at the end of the road we shall not be carried away by a swirl in which the very name of Canada would be but a recollection haunting the conscience of those who would have destroyed it. However, I prefer to conclude on an optimistic note. The years to come will certainly be difficult, our public men will have to act with wisdom and judgment and to show firmness to cope with the dangers which jeopardize our country and to funnel off, for the benefit of an innovating federalism, the centrifugal forces which threaten its unity. But our political leaders will be unable to save this country from collapse if Canadians themselves have not enough will to solve their problems in harmony, dignity and equality. They are the ones who, finally, will tell us whether the Canadian adventure is finished or if, on the contrary, revitalized by its experiences, Canada will start again its progress through history and will bear witness to the political genius and the spirit of brotherhood which inspire its citizens.

● (1550)

[*English*]

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, this is one occasion where I do not mind waiting to say my few words because of the excellent address we have just heard and the applause which was richly deserved.

Some hon. Members: Hear, hear!

Mr. Saltsman: I must say to my friends in the Conservative party that they are not very reliable in the way they put down motions. When this motion was handed to me, I had to prepare some notes in order to respond to it. I thought we were going to be subjected to a rather one-sided attack on the government, holding them responsible for everything from chilblains to snails in the soup. It turned out to be quite a bit different, and I am pleased to acknowledge that.

I listened with a great deal of interest to the remarks of the hon. member for Saint-Hyacinthe (Mr. Wagner). I congratulate him on his lyricism, passion and concern for this country: it is just the tone of debate that is required in this serious matter facing our society. I wish to respond to the suggestion he put forward about a parliamentary committee, on a non-partisan basis, to look into the causes of dissatisfaction in confederation. Those are not his exact words, but I think that was their intent. My party has discussed this matter but we have not reached a conclusion on it. I know the government has discussed it. I am quite certain, if I judge my colleagues correctly, that should the government propose such a committee, it would be warmly supported by members of my party. In some way, hon. friends to my right are catching up to the NDP. I am glad to see that.

Some hon. Members: Oh, oh!

Mr. Mazankowski: What a joke.

Mr. Saltsman: I am trying to be nice. Usually, I have something other than nice to say. I am just trying to be nice and I hope they will accept that as a compliment. I am sure

that my leader, Mr. Broadbent, would approve the position they are taking, as would Mr. Lewis, Mr. Douglas, who is here, and as would M. J. Coldwell.

The Acting Speaker (Mr. Turner): Order, please. I suggest that the hon. member should refer to members of this House by their constituencies and not by their personal names.

Mr. Saltsman: Some do not have personal constituencies any more, so I took a liberty. I apologize for having used their personal names. In the other place, Senator Hazen Argue, if I may use that name, would even have approved of what has been said today.

This debate has been going on for years. It is not a recent debate; it has been going on as long as I can recall, certainly in my readings of the debates of the Commons long before I came here. Concern has always been expressed about holding the country together. It has been one of the cornerstones of Canadian policy. The great question asked by every government when it introduces a policy or takes a position is: What will it do to national unity? Therefore, it is not a new concern. It is a concern that has been around for a long time—the great confederation debate.

Years ago we took the position, I think the correct position, that while culture, language, and people wanting to determine their own lifestyle is important, it is as important that there be prosperity in Quebec as there be in the rest of Canada. We argued. It was called the class argument. There was a great deal of merit in that argument. We said that we cannot keep this country together if we have unemployment, if one part of the country feels that confederation is not giving it an economic break.

Many of the problems we face today in confederation, while not exclusively for this reason, arise directly from the fact that this government and governments before it have not been able to solve the economic difficulties created by unemployment. Unless these difficulties are solved, we are not going to solve the problems of confederation. That is what I was referring to as the lesson that hon. friends on my right have learned from the NDP. We have argued this matter over and over again. I cannot remember a time when we did not take that position. We now see that position being accepted.

It is interesting to look at the timing of the argument put forward in the motion today. Over the last week the Toronto *Star* has been running a series of articles on Quebec in which they have been exploring the psyche of Quebec to find out what it is that Quebec really wants. Is it language? Is it culture? The outstanding conclusion of what has been a very important survey is that economics are important in Quebec, unemployment is an important factor, and our ability as a federal government to solve the problems of unemployment may be the decisive issue as to whether we can hold this country together. Therefore, if my party talks about solutions which are not laissez-faire, which call for great government intervention and sticking out our necks, it is important that we pay attention to those solutions. There is no easy way of holding the country together.

I want to say something in fairness to the government. I acknowledge that it is not going to be an easy problem to solve. The situation we face today has not been caused entirely by this administration or any particular administration before it. I do not think the problem would have been completely solved had the NDP been the government in Canada. A lot of this has to do with people's attitudes and their perception of our society. To the extent that Liberals and Conservatives have formed the government, it says something of the Canadian perception of their problems and the kinds of solutions they want to those problems. Our society—not only in Canada, but western society—is changing in a very dramatic way. All the evidence that we have before us, such as the studies carried out and the projections made, indicate a number of things.

If we continue on the path that we are going with our laissez-faire, tinkering attitude, unemployment will get worse. We think it is bad now. There are predictions by reliable people who can bolster their predictions with very sound arguments that the situation will get worse. I do not say it has to be worse; I simply say that if we proceed in the way we are, and do not do anything more than we are now doing—which is not very much—unemployment will increase in the future and confederation will be far from secure.

I wish to read a quotation in order to bolster what I am saying. I know that most members would take my word, but for those inclined not to do so I will read a bit of corroborating detail. I quote from an article which appeared in the *Executive* magazine of April, 1977:

> Work is going to be hard to get for longer than most people have dared to imagine, unless there are some radical changes in work trends.

The very fact that a magazine like *Executive* would not edit out a word like "radical" indicates that they are a little concerned these days.

> The most optimistic forecast I can make for 1986 is an unemployment rate of 11 per cent, and the worst case—also, unhappily, the most convincing case—is half as much again, around 17 per cent, or almost as bad as the unemployment Canada experienced at the height of the depression in 1933.

● (1600)

There are reasons for this. I am sorry I do not have as much time as I should like to have today to go into those regions. One of them is the falling birth rate. It is very significant. If you look at the past you will find that much of our growth and prosperity has been fuelled by the birthrate. It has been fuelled by cheap energy and cheap food. It has been fuelled because we did not care about the environment; we wrecked the environment and we despoiled, in one generation, what had not been despoiled for years. That cannot go on any more. It simply means that growth is not going to take place in the traditional way and that employment, as a consequence, will not be available in the traditional way.

Let me read from another article which deals with the question of growth in the foreseeable future. The article is entitled "The Growth of Growth" written by Leon C. Martel, executive vice-president and director of the research management council of the Hudson Institute. It is from "Futures", volume 9, No. 2. Might I, as a digression, put in a good word

for the library clipping service? Those of us who use that service are grateful for the fact that they cull these articles, the kind of reading we are just not in a position to do, and make them available to us so we can keep in touch with some of the fine thinking which is going on not only in this country but internationally. Let me read from this article. These are excerpts, because of the shortage of time. The point of the article is to make the case that we cannot really count on the kind of automatic growth which has characterized not only our own society but the western world generally since the end of the Second World War. He says:

With insurance, social security and welfare for all, there will be protection against most of the vagaries of life, and this should produce a shift in priorities and values.

I should say at this point that while I have been critical of other parties, all of us, even with the best intentions, contribute to the kind of difficulty we are in. On balance, however, I would say that were it not for the welfare state, things would be much worse than they are. The welfare state itself creates problems, and that is one of the things we are facing. Some of the problems we have arise from the kind of security we build into the system. On the other hand—and this is far more important, in my opinion—were it not for the welfare system we have built in our society we would be in a worse depression than that experienced in the thirties.

Whatever abuses there may be with respect to unemployment insurance, without unemployment insurance, old age pensions, without medicare or hospital insurance, the western world would be in chaos right now. Having said that, we still have to recognize that this change in our society has itself created problems which call for new approaches and new ideas. The article goes on:

While the flower children of the 1960s have faded, the fact remains that a change in values has occurred.

This is a fundamental fact of our times. We are living in a different world, and the old solutions do not apply. They will not solve things. I continue quoting the article:

With mature economic development and the wealth it brings to individuals, there seems to be an increasing desire to leave things as they are, to be satisfied with the status quo. There is a growing emphasis on the protection and preservation of what one has, on health, comfort, safety, and the environment. This in turn spawns attitudes of risk aversion and localism.

In the past, in most cultures, people were taught that happiness was to be achieved as a more or less reasonable by-product of some other activity—a satisfactory job, the recognition of one's achievements, a devoted family, close friends, and so forth. Happiness was not usually recognized itself as an important value. However, today in affluent societies there is increasing emphasis on the direct search for happiness. The result is often a heedless hedonism.

The above trends and tendencies, and others which arise from them, can be found in varying degrees in most developed nations today. As they continue accelerating and reinforcing each other they will slow rates of growth. Already the process is under way and it is unlikely that Western Europe and North America will again experience sustained growth rates at the average annual level achieved in the decades following the Second World War.

Those of us who are close to the people of Canada, because we represent them, know this to be true. Our own personal experience tells us that our world has changed. While it may not be possible at this time fully to understand what we are going through or the way in which the change is taking place, or the rate at which change is taking place, how many of us can say we do not sense the new society which is emerging or that we do not recognize that the old solutions are not working?

To get back to the central theme, the problem of unemployment and its effect on confederation, I want to say that while I give colleagues on my right high marks for learning their lesson today, I am not prepared to give them a full diploma, because while they have learned something from the NDP, it is only part of what we are saying. We are saying something else, and we have said it since the inception of our party. It is truer and more needed today than ever before.

What we are saying is that there is need for equal dignity for all. It will not be enough to provide jobs in Quebec, say, if they are ditch-digging jobs. This is what Quebec is saying and perhaps it is at the heart of the whole problem over language. Unfortunately, in Quebec language and jobs are related. It is an unfortunate fact that the big, important jobs were reserved for those who spoke English.

No self-respecting person can accept that in order to get a decent job he or she must learn somebody else's language. English, to Francophones, is somebody else's language. They are as entitled to their language as are the English. I should not have to state this, but I wish to do so to make clear what I am saying. This became obvious during the air controllers' strike. We talk about opportunity. Again, it is not enough to say we are going to create many jobs. What kind of jobs; and who is to get them? Will they be good jobs? I am sure that during the air controllers' strike a few months ago the question of air safety was an important one and that many of the people who put forward arguments on this basis were doing so with great sincerity. I do not question their motives. But in the way in which it was put forward, it was perceived as a means of preventing those who spoke French from getting jobs to which they were entitled. It was perceived as a way in which the English could continue to occupy positions at the top, to the detriment of the Francophones. Therefore, it is not enough to provide jobs. You have to ask about the quality of the jobs and the nature of the jobs, and there has to be equal dignity attached to them.

Then there is another matter. We have always talked about the need to redistribute income in this country, not only as between the English and the English but between the French and the English and perhaps between Canadians and the rest of the world. That is essential. If new jobs are created, some people will get very good jobs and others will get not such good jobs, and the gap between them will be enormous. Even if the question of language or the question of culture did not arise, we must see that these other matters are taken into account.

● (1610)

As it turns out, according to my calculations, in order to deal with this new world which all of us sense is upon us, and in order to deal with the new problems which are associated with this new world, we must redistribute income. We cannot go on having the disparity of income that exists in our society

today. Let me give an example of one incredible distortion which has taken place and for which we are to blame. If people are angry at their legislators for this, then I do not blame them. We encourage people to go to university. To learn, to enlarge their knowledge of the world? No—because university is the passport to making more money. We had the Dennison report, a study we copied from the United States, which related productivity and high income to education. Therefore, we falsely encouraged—

The Acting Speaker (Mr. Turner): Order. I regret to interrupt the hon. member, but his allotted time has expired. He may continue with unanimous consent. Has the hon. member unanimous consent?

Some hon. Members: Agreed.

Mr. Saltsman: Thank you, Mr. Speaker, and through you may I thank my colleagues in the House. I appreciate this opportunity to continue for a few moments, but I will not be too long. This is an important point to me. Looking back, it is a terrible mistake which we made. We should have seen it, but most of us did not. Why did these people go to university? Because it was an "Open sesame". At a time when we needed plumbers, carpenters, machinists, orderlies, all kinds of people with practical skills we encouraged most of our students to get a B.A.

What has been the consequence of this? We are not the only country which has done this sort of thing. Every western country has done the same. We now have people coming out of university faced with fantastic frustration, knowing they have given four or five years of their lives to learn a skill for which there is no opening. They are resentful and bitter. It is hard to say to them "Yes, I know you have a B.A. in political science, but you may have to work side by side in a factory with someone who was a high school dropout".

In some ways we should not feel too bad about this, because having gone to school is not a waste. Anyone who has spent some time at school, whether or not they can apply everything they learned there, has done something to improve himself. If they have to work and get their hands dirty, so what? I do not buy the argument that because someone has a baccalaureate he has the right to go around with clean finger-nails for the rest of his life. We really have to demonstrate that we have respect for labour. We must make sure that a man who leaves home at five or six o'clock in the morning to go to work in a factory has equal treatment and equal pay with the person who leaves for the office at nine o'clock and perhaps returns home at four and never get his hands dirty.

We have had this double standard in our society, this cruel elitism, this aversion toward the blue-collar worker. We are now paying for it. We have forced a whole generation into believing that the road to dignity is the clean shirt. The road to dignity is more than just a clean shirt; it is what that person is and what kind of contribution that person makes. The waitress, the man who works in the factory or the orderly who works in the hospital deserve our praise and recognition, as does the lawyer, the doctor or the MP. We are entering upon a society where equality of income will no longer be some kind of socialist pipe dream where we pat a person on his head and say he is a fine fellow. That is very idealistic, but it will not work. What I am saying is that if that sort of thing happens then our society is not going to work.

There are other matters I should like to deal with, but I do not want to trespass upon the generosity of my colleagues who have granted me extra time. I want to conclude by pointing out some of the things which I think need to be done, aside from the general proposition I have been putting forward about redistribution of income and commitment to full employment. Our society must commit itself to work, not welfare. Welfare must certainly be provided if we cannot provide jobs, but it is a sign of our failure. If a person is receiving welfare or unemployment insurance because he cannot find a job, then that is not his fault. But we can certainly condemn a society that cannot solve the problem of providing jobs for its people. As I have said, we have to assert the dignity of all work; we have to get rid of elitism.

There are many things we can do, Mr. Speaker. We can embark upon capital projects, and to get the money for these we have to learn to tax those who have it. I know the House has been averse to doing this. The government, supported by the official opposition, had done the worst possible thing, faced with the kind of situation we are in. The last budget was essentially a budget which gave more to the well-off than it gave to the poor. At a time when we have to increase purchasing power and when our number one problem is unemployment, the government, supported by the official opposition, encourages savings. This is a good way to put ourselves into an even worse situation.

Mr. Munro (Esquimalt-Saanich): We did not vote for the budget. What are you talking about?

Mr. Saltsman: We should also give consideration to earlier retirement. Many young people have come to me and told me that their father or their uncle is working, that he is tired and they wish they could get a job. The uncle or the father, on the other hand, would probably say, "Why should I slug it out? Having worked 45 years, I should like to quit now". I say, let the young people have a job. Certainly, this is one of the changes the government must consider. I know this cannot be done in one fell swoop, but let the government at least work toward lowering the age of retirment. If it cannot be done for both men and women, then let us forget about women's lib and let us start to lower the age of retirement for women.

If the government does not want to do it on a universal basis, then let it be optional. But let us at least move in that direction since jobs will not be available for everyone. Just as we must create jobs, we must also take people off the labour market. If a person does not want to come off the labour market, fine. If a man wants to work until he is 80, I say good luck to him. But a lot of people do not want to do that.

I congratulate the hon. member for Saint-Hyacinthe on his motion, and I thank hon. members for allowing me indulgence to continue for a few more minutes.

● (1620)

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I must congratulate at this point the mover of this motion on such an important, essential and urgent matter. We, in the House of Commons, are probably those who, in the history of this country, will have made the most momentous decision.

Therefore, I commend the hon. member for Saint-Hyacinthe (Mr. Wagner) for trying to bring serenity to a debate which could easily become overheated. The fact is, Mr. Speaker, that it is very difficult to remain calm when the government resorts to arrogance, anger and sometimes even blackmail. I say Canadian problems will not be solved in a dispassionate manner as long as we have this government and particularly its leader.

Mr. Speaker, we must accept matters as they are. And when the future of the country lies in the hands of a sophist who is primarily interested in winning an intellectual argument, we cannot expect to solve our economical problems. It is quite normal also when we realize that the leaders of this country were so shortsighted that a few weeks prior to November 15, they were proclaiming all over the world, in Japan particularly, that there were no more separatists in Quebec. What are these people doing, Mr. Speaker? What are they doing now at the head of this country? I say that they are destroying it. And when I hear those same individuals accusing Quebecers in particular of trying to break Canada, Mr. Speaker, I say the right hon. Prime Minister (Mr. Trudeau) and his cabinet have a real tunnel vision as to what Canadian unity means. They are now obsessed with their own idea of national unity and God knows that is not the answer for this country. We will have to come down to earth, as the hon. member for Saint-Hyacinthe suggested, and realize that we have to create a climate where we can sit down and discuss, and agree on the best way to achieve Canadian unity.

And why would such unity not be achieved within a common market within which fully independent Canadian entities could develop freely? Why not, Mr. Speaker? Why has it to be this heavy burden of unpopular, costly, harmless bilingualism that the Prime Minister has been trying to establish for years when a majority of Canadians are against it? Mr. Speaker, this is a lack of realism. It is an attempt by someone to destroy the country with his fallacies. He is supported by irresponsible people who cheer him on, such as the Minister of Regional Economic Expansion (Mr. Lessard) who is faced with the following dilemma: he wonders to what extent he should help Quebec, because in doing so, he proves that the Quebec government is right, and to what extent he should not restrain his department's expenditures and let Quebecers know that they had better stay within this obsolete and outmoded federalism which divides us.

[Mr. Saltsman.]

Mr. Speaker, when the Minister of Regional Economic Expansion, on the pretext of being too busy, refuses to meet the Quebec minister Mr. Leonard to finalize a federal-provincial agreement, which shows the goodwill of the Quebec government, when, instead of solving this problem, the minister prefers to campaign for the Liberal candidate in the Témiscamingue riding, I say that he is irresponsible, and this is what causes an unhealthy climate to develop, one which will bring about the destruction of this country. May I add, Mr. Speaker, that for those reasons I have to agree entirely with René Levesque who said lately about this minister, and I quote:

> At present, they are a bunch of bunglers. That is how they behave! Mr. Macdonald went to New York to meet financial analysts and he told them the same old story of uncertainty, and so on.

In addition, Mr. Speaker, and I am no longer quoting, the Prime Minister went to Washington and he dared say a terrible thing—that if Quebec wanted to become independent, to develop freely in its own way, to come to an agreement with the rest of Canada in the best interests of the whole country, it would be a crime against mankind! Does our Prime Minister think he is God himself, Mr. Speaker, to say such nonsense and such terrible things? Well, such are the things which destroy this country. It is not the Quebec separatists only who want to compel Canada to find its own identity.

Mr. Speaker, this partnership that could be created among Canadians of goodwill, this true partnership based upon the absolute respect of sovereignty and the mutual agreements which could cover all the jurisdictions over those areas that can be administered in a comprehensive way, this is, I suggest, a very commendable goal, one which all of us in this House should try to achieve. This is also why you have René Matte, the member for Champlain, who fights for the independence of Quebec, but at the same time is prepared to discuss with everybody this country's future. This is easy to understand, there is no argument against it.

● (1630)

I would rather have a straightforward and honest proposal than pieces of sophistry, flip flops and what not, Mr. Speaker. One should see things as they are, and I go on quoting the Premier of Quebec:

> As for me, I suggest that those people do not do their job as government members for the whole of Canada, which we are still part of, and within which we are quite willing to maintain normal relations which can be discussed among people representing the same kind and the same level of taxpayers. They are increasingly behaving like a bunch of petty terrorists. It seems to me that the majority of Quebecers should realize that. They do not behave as Quebecers and, in a way, at the national level, as good Canadians.

This is the attitude of the Prime Minister and his ministers when they try in every possible way to create a climate of uncertainty by making Quebecers fear their livelihood and their economic future is threatened. They say to them: "Go ahead, enroll in the fight for federalism." One thing must be realized, Mr. Speaker. At the time the men we would now call the "grand-daddies of Confederation" were holding their meetings, they had in mind some unitarian form of government of course, but nothing like Confederation. This has been

the source of all sorts of problems, and this is why today we are at the turning point in our history. A solution must be found at all costs. But what is the governments doing? It is simply worsening the economic disorder. Therefore, the consequences of such disorder upon the spirit and unity of the country are disastrous, to quote from the motion.

Mr. Speaker, what is it that will prompt Quebecers to vote for independence at the next referendum? Why? The answer is: Because the people in an industry which has been basic in Quebec for years, as was the shoe industry, which used to supply 95 percent of the Canadian market 25 years ago, have seen that, thanks to the actions of the federal government, the total Canadian shoe production came down from 58.5 percent in 1968 to 51 percent in 1974, 50.7 percent in 1975, 45.8 percent in in 1976 and 32 per cent 1977. During that period, imports rose from 41.5 to 68 percent. That industry was mainly based in Quebec. Did the federal government help Quebecers keep their industry and increase their economic power? Not at all. People are wearing shoes from Sweden, from Taiwan, from Japan and Poland, but in the meantime Quebecers are unemployed. Is there a belief this will lead Quebecers to vote for federalism? Do you think, Mr. Speaker, that Quebec farmers producing 60 percent of the overall dairy production in Canada will vote for federalism, when the government has been systematically allowing increasing volumes of butter and cheese imports over the last ten years? Recently still, there could be seen in Quebec powdered milk bags from New Zealand, while the industrial milk producer was penalized because of powdered milk surpluses. Is that what a federal government is all about? Will Quebecers vote for Mr. Trudeau's kind of federalism? An end should be put to the monstrosities and historical absurdities we are hearing. Even when uttered from the Capitol in Washington, they do not become any more intelligent.

I think it would be better if the Prime Minister tried to cope with financial problems. Had nobody made suggestions we could understand that he has to look for them, but heaven knows our party particularly came up with proposals to settle that economic problem so as to pave the way for our country's unity, but I say a unity which would faithfully reflect the Canadian reality.

Mr. Speaker, we have noted all these things but then we see the government behave in such a way as to prompt businessmen like Mr. Crump, former Canadian Pacific chairman, to state the same sort of nonsense as the leader of the government, and I quote:

I believe that if this bill . . .

. . . speaking about the language bill in Quebec.

. . . is approved in its present form, any national or multinational company which will not move its head office from Quebec—will do its owners a disservice.

Mr. Speaker, why did Mr. Crump say that? That is what the Minister of Regional Economic Expansion (Mr. Lessard) has been telling us for weeks, he who has been seeing head offices heading for the nearest border. He is creating that artificial atmosphere, which is why the economic situation is so disastrous. So I will conclude by saying that it is absolutely important, particularly in this place, that we should come down to earth and stop thinking ill-advisedly that Canadian unity has only one form. We should have open minds and be Canadians enough, I should say, to understand that perhaps the present Quebec government is the one which most wants Canada to continue as a nation, but that it should do so in full respect for its components.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first I wish to congratulate the hon. member for Saint-Hyacinthe (Mr. Wagner) for his excellent contribution to the debate on the motion he presented before the House. I also wish to congratulate the hon. member for Waterloo-Cambridge (Mr. Saltsman) for his contribution to that same debate. I wish to comment on some points raised in those two very clear and well-balanced statements and although it is, of course, an analysis by the opposition parties, I think it makes a very positive contribution to the solution of economic and political problems that worry all Canadians and of course, all members of the House.

Mr. Speaker, considering the short time at my disposal, I shall not waste it commenting on the ineptitude and the separatist demagogy of the hon. member for Champlain (Mr. Matte).

Mr. Matte: I expected nothing less.

Mr. Lalonde: I shall leave it to someone else. I think that such a contribution deserves only to be ignored in the debate we want to have today.

The motion blames the government for the economic disorder in Canada and deplores its consequences on the spirit and unity of the country. I thought we were going to discuss in length the economic situation but apparently they preferred to place the debate in a larger context and I do not object to this, on the contrary.

● (1640)

I would like to deal with a few points made by the hon. member for Saint-Hyacinthe (Mr. Wagner) and make a few comments on some of his remarks. I am pleased to hear and note how his views are akin to the government's in a great many areas. As a matter of fact, some of his statements, and suggestions have been made by the right hon. Prime Minister (Mr. Trudeau) or some ministers on various occasions. Whether it is the matter of the Francophones' rights in this country, or the importance of guaranteeing the Francophone community not only linguistic but also economic rights and a fair economic role in keeping with their talents, those concerns are exactly those the government has been expressing for a number of years. As for revising our federalism, again this is nothing new, since in 1966 and 1967, this government brought about proposals for a complete review of the Canadian constitution.

Those discussions led to several premiers' conferences and to a proposal known as the Victoria Charter. For historical reasons that are well known, there was no agreement at that

time, but it is important to remember that in spite of those failures, over the years, the Prime Minister indicated to the provinces, again in a letter he sent them at the beginning of last December, that he was willing to sit down with them at any time and either discuss a restricted formula for amending the Constitution, in order to repatriate our Constitution, or to make a complete revision of our Constitution, depending on the choice and discretion of the provinces. Until now, most provinces have not seen fit to follow up that proposal. Some of them seem to have indicated they were considering it. Others, particularly Quebec, have repeatedly indicated that their government was not interested in any negotiation whatsoever before the referendum was held. Again last weekend, the premier of Quebec took that position.

It may also be important to recall what the Prime Minister said in this regard in Quebec City not so long ago because, to my mind, the hon. member for Saint-Hyacinthe gave, in his speech, a truncated if not erroneous interpretation of the position of the government with regard to the whole matter. When we stand up for the French language, when we champion the equality of the two languages in this country, we do not do so as if it were the only means of frustrating the separatist tendencies evident in Quebec. The official languages proposal was put many years ago and once again, not for strictly political, immediate, or partisan objectives: it was made to guarantee the Francophones of this country, and the Anglophones as well where they are in a minority the rights to which they are entitled. It is merely a matter of respecting the minorities in Canada. The hon. member for Saint-Hyacinthe spoke of a charter for the minorities: that is precisely what the government proposed in Victoria when it was suggested that a list of the fundamental rights of the citizens, and especially recognition of their linguistic rights, should be entrenched in the Canadian Constitution.

There again, even if there were absolutely no separatist tendencies in Canada, even if no one was trying to break up the country I am convinced, as well as this government, that it would have been necessary, in all fairness, to enact legislation such as the Official Languages Act which this Parliament adopted. But it is a far cry from that to claiming that the position of the government is based strictly on a linguistic matter, and that it is the opinion of the government that in meeting the linguistic problems we will solve all problems of a political nature in our country; this is surely a false and erroneous interpretation of the stand taken by this government. Moreover, I remind the House of the statement the Prime Minister (Mr. Trudeau) made in Quebec City quite recently, when he addressed the Quebec Board of Trade on January 31: He said quite clearly and I quote:

> In the constitution, I think there is only one principle, that is to respect the rights of men and women, the respect of human rights, and probably the respect of the collective aspect of these human rights. I'm thinking of language, the right of regions to exist. And from this principle you can start from the beginning: write a new constitution. We haven't had one in 110 years, we can make one. And I refuse no challenge. All that I ask as long as I am here is that it must be concretely established that such and such a level of power, for example, must be exercised at the federal-provincial level in such a way that the Canadian community will profit by it.

[Mr. Lalonde.]

This, Mr. Speaker, is the position of the Prime Minister, and of this government. We have indicated once again, as recently as in the letter the Prime Minister wrote in early December to the provinces, that we are always ready to sit down and discuss such a basic constitutional review.

Having said that, Mr. Speaker, it is quite obvious on the other hand that there is a fundamental disagreement between the position of this government and that of the Quebec government at this time. And never will my colleagues or myself subscribe to an objective aimed at the destruction of this country and the separation of Quebec from the rest of Canada. However, this does not mean once again that we are for the constitutional status quo or that it is impossible to consider certain rearrangements of powers between the provincial governments and the federal government. The great flexibility of federalism, Mr. Speaker, has been demonstrated by the fact that there are not two identical federal systems in the whole world and that many forms of federalism can be found among the various countries that have adopted that form of government throughout the world. But when once again the hon. member for Saint-Hyacinthe suggests in his speech that his party has been concerned about over-centralization for years, he is truthfully stating the speeches made by his colleagues in recent years. But what is important to note is not so much the speeches on this matter, but the facts. And what are the facts? Well, the facts are that there is practically not a government in the world today or a country in the world with a federal form of government that has a system as decentralized as Canada. I will only mention, for example, the United States, Germany, Switzerland, Australia, where the central power accounts for a much greater part of the total public expenditures than the Canadian government today.

And this is borne out by the evolution of public expenditures in recent years. Mr. Speaker, suffice to recall that in 1965, after transfers to the provinces the federal government took 53 per cent of the tax base, and that percentage went to 40 per cent in 1975. And in 1977, under the agreement reached at the last conference of first ministers last December, it is expected that the percentage of the tax base accruing to the federal government will represent only 37 per cent as compared with 63 per cent going to the provinces and municipalities. Well, when the hon. member for Saint-Hyacinthe was suggesting in his speech that the provinces are complaining of a lack of funds to carry out industrial development, I think that is a somewhat limited perception of the situation. In fact, provinces and municipalities have taken an increasingly larger share of the tax basis and the question now being asked by many is whether the federal government will soon be left with a share of the tax basis large enough to be able to truly assume its responsibilities and keep its commitments.

The hon. member for Saint-Hyacinthe also talked about a national priority council. I would remind the House that we have had a national priority council in Canada for many years and that it takes various forms. It can be found within federal-provincial conferences, where ministers are commissioned by their government to decide to jointly agree on the

directions to be given to various areas of government activity. When there is a meeting of either the ministers of agriculture or the ministers of health and welfare, or the ministers of energy, or the finance ministers on a regular basis as we have seen, and finally, when the premiers meet as frequently and as regularly as has been the case in the last few years, on those occasions the provincial and federal governments do in fact sit down together and determine our national priorities, and these priorities are set by the people who are democratically responsible to their constituents for assuming the burden of the decisions which are made during these meetings.

The hon. member for Saint-Hyacinthe also talked about the need for better information on the economic aspects of federalism. I believe that all governments have become aware of this in the last few years and through the ministers of finance, considerable work has been done by federal-provincial committees on all economic aspects of the Canadian activity. To have considerable statistical information on the taxation situation and the economic situation of the various areas of the country is nothing new. In the last few years, Statistics Canada has made considerable efforts to improve the quality of information in this field so as to truly allow an informed debate among the citizens and the government in Canada to take place, and we are happy to see that more and more information is given to the public in this area.

Unfortunately, some people make reference to it abusively and in a partisan spirit. I am referring particularly to the famous economic accounts that the Quebec government made public recently and which, obviously, backfired on those who thought they had planted a bomb within the federal system. It is quite interesting to see how the Quebec government, and the ministers who were involved in this matter, are now shunning the subject and trying to ignore this sad experience.

I think that it might be a lesson to all those who should be careful not to put words into their mouths, not to distort them for purely sectarian reasons, and in so doing delude and mislead the public, which cannot promote a worthy and healthy democratic debate.

The mover of the motion has also regretted that the opposition seemed to be unaware of the work done by the national unity group. I remind him that the director of this group met with each party leader when the group was formed and he mentioned, on behalf of the government, that he was at the disposal of the party leaders and/or the parliamentary groups of each party and/or the party caucus, and that whenever these groups would like to meet him and have discussions, he would be ready to do so.

Finally, as to the proposal to establish a parliamentary committee that would look into the causes of the uneasiness in our country and would propose means of improving the situation in Canada, the hon. member for Saint-Hyacinthe also knows that this is another question which has been explored by the parliamentary leaders of the various political parties, and we shall have to await the result of those discussions before making a final decision as to the timeliness of such action.

In the few minutes I have left, I should like, Mr. Speaker, to deal with and put on record a number of facts pertaining to the very nature of the motion before us. That motion deals with the situation of the economy, and I think the hon. member for Waterloo-Cambridge (Mr. Saltsman) was quite right when he said it was impossible to talk about the political situation in Canada without dealing with the economy, and that it was an illusion to think that Canadian federalism could work if the Canadian economy does not work.

Of course, in the last few years our country has faced and is still facing economic problems. The government is aware of it and is concerned about this situation, and it has taken various steps and measures in order to solve, at least in part, these problems, whether it be unemployment or inflation. Here I should like to quote what an old Franciscan friend of mine used to say: "When I look at myself, I grieve, but when I compare myself to others, I take heart." The same remark could apply to the Canadian economy.

A few days ago, the Minister of Finance (Mr. Macdonald) tabled in the House the Economic Review for 1976. This review provides us with a most valuable reference work to assess the performance of the Candadian economy not in isolation but in the general context of the world economy. I regret that my colleague the hon. member for Saint-Hyacinthe, an expert on international affairs, did not deal with this matter within a somewhat broader context.

I shall refer to the fact that 1976 was a year of continued economic recovery following the most severe slowdown in over 30 years. In most of the major member countries of the Organization for Economic Cooperation and Development, the OECD, the upturn happened in early 1975. In the OECD area, the real output increased at the annual rate of 4½ per cent in the second half of 1975, and showed a 6 per cent rate in the first half of 1976. As personal expenditures stabilized and inventories became negligible, there was a 3¼ per cent slowdown in the annual growth rate in the second half of 1976. The slow recovery was due to the fact that the authorities were cautious in stimulating demand, because of the underlying inflation, and to the fact that investments did not take over at the usual stage of expansion. For the whole year 1976, the real growth rate averaged 5 per cent in the OECD area. In the 24 OECD member countries, consumer prices, after an average increase of 11.4 per cent in 1975, showed an 8.6 per cent increase in 1976. With a 7.5 per cent rate, Canada ranked fourth for the slowest price increase, behind Switzerland, West Germany and the United States.

● (1650)

[*English*]

I would like to draw the attention of the House to a recent study prepared by the national bureau of economic research in the United States. The study showed that in comparison with the other six major western industrialized nations, Canada had the best economic recovery from the 1973-75 recession. This country's index of economic performance in March of this

year, according to the bureau, was 67 per cent ahead of its situation at the start of that recession.

This reflects the fact that because of the economic policies pursued by this government in the early 1970's, the drop in Canadian economic activity was not nearly as severe as that experienced by other countries. Comparable figures for West Germany, France and the United States show that their recovery was not as strong. It was between 2 per cent and 10 per cent of their pre-recession situation. Italy, Japan and the United Kingdom, on the other hand, have not yet recovered fully the level of economic activity they experienced prior to the recession. This study, prepared in advance of the recent London summit meeting, is based on a monthly index of economic performance which summarizes in a single indicator the more important measures of aggregate economic activity such as income, output, employment, unemployment, and sales.

● (1700)

The authors of the study, which was published in the New York *Times*, note that reliance on any single measure of economic activity, even such important and frequently used indicators as the index of industrial production and the rate of unemployment, can give erroneous assessments of economic performance. To underscore the fact that persistent high levels of unemployment are an international phenomenon, the study reveals that none of the countries attending the Downing Street summit has yet managed to get its unemployment rate down to the levels prior to the recession.

May I remind the House that this particular subject was one of the topics discussed at the Economic Summit on May 7 and 8. Canada, together with the United States, the United Kingdom, France, Germany, Japan and Italy, took part in the Economic Summit in London. The Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Macdonald) emphasized the critical importance of dealing in a systematic and co-ordinated way with the economic problems facing the western world. This approach was welcomed by all the leaders present and provided the basis for the Downing Street declaration which was issued following the summit conference. I would like to quote a few sentences from that declaration because they summarize the approach being taken by Canada and our western allies to solve the economic challenges before us. I quote:

> The world economy has to be seen as a whole; it involves not only co-operation among national government but also strengthening appropriate international organizations. We were reinforced in our awareness of the interrelationship of all the issues before us, as well as our interdependence. We are determined to respond collectively to the challenges of the future.
>
> Our most urgent task is to create more jobs while continuing to reduce inflation. Inflation does not reduce unemployment. On the contrary, it is one of its major causes. We are particularly concerned about the problem of unemployment among young people.
>
> We commit our governments to stated economic growth targets or to stabilization policies which, taken as whole, should provide a basis for sustained non-inflationary growth.
>
> We will provide strong political leadership to expand opportunities for trade to strengthen the open international trading system, which will increase job opportunities. We reject protectionism: it would foster unemployment, increase inflation and undermine the welfare of our peoples.
>
> The message of the Downing Street Summit is thus one of confidence:
>
> —in the continuing strength of our societies and proven democratic principles that give them vitality;
>
> —that we are undertaking the measures needed to overcome problems and achieve a more prosperous future.

This is the statement to which Canada subscribed. Canada was a very, very active participant indeed in the preparation of this statement.

[*Translation*]

We share those objectives with the other industrialized countries that participated in the London summit meeting. We want to reach those objectives in close co-operation with those countries. We also want to reach those objectives through the measures we are going to take and implement in Canada. And much as we must get the co-operation of other industrialized countries, so must we get the close co-operation of all provincial governments in this country with the federal government. Our work will be all the more easier if we can depend on that close co-operation and avoid a partisan approach to the economic debates.

Earlier the hon. member for Champlain mentioned my colleague, the Minister of Regional Economic Expansion (Mr. Lessard). Obviously, Mr. Speaker, ministers cannot be at the disposal of another minister on a six- or ten-hour notice each time they receive a telegram. But for the infomation of the hon. member I shall tell him that my colleague is meeting with the Quebec Minister of Regional Economic Expansion and they are having discussions aimed at improving the existing agreements. And I hope that that new spirit of co-operation rather than confrontation shown by that Quebec colleague will reflect on several of his other colleagues as concerns economic development in Quebec, particularly during the coming months and years.

We are not looking for confrontation or conflicts. We have the responsibility to work for the economic advancement of all regions of the country and since November 15, all my colleagues have constantly consulted the economic communities in Canada and abroad to encourage investors to continue their investments in Quebec and Canada during the months and years to come. When the Quebec premier recently made statements comparable to those of the hon. member for Champlain in this House, the Minister of Industry, Trade and Commerce (Mr. Chrétien) was perfectly right to say that the premier "perdait les pédales" as we say in Québec.

Mr. Speaker, those are the brief comments I wanted to make on the important issue raised by the hon. member for Saint-Hyacinthe. I thank the House for its good attention and I hope that the contributions to this debate will be on a par with those of the hon. member for Saint-Hyacinthe and of the hon. member for Waterloo-Cambridge.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Winnipeg South Centre (Mr. McKenzie)—Canadian Broadcasting Corporation—Request that final games of World Hockey League championship be televised.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED GOVERNMENT RESPONSIBILITY FOR "ECONOMIC DISORDER"

The House resumed consideration of Mr. Wagner's motion:

That this House holds the Government directly responsible for the present economic disorder in Canada and the disastrous consequences of that disorder upon the spirit and unity of the country.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, it is often said that "plus ça change, plus c'est la même chose". To begin with this afternoon, I would like to congratulate my colleague the hon. member for Saint-Hyacinthe (Mr. Wagner), the hon. member for Waterloo-Cambridge (Mr. Saltsman) and the Minister of National Health and Welfare (Mr. Lalonde). I think there was not too much partisanship, which shows that my colleague's motion deals with a fundamental problem in this country, quite a debatable motion actually in this House in the way we should have debates and discussions here in the House. This is Parliament, Mr. Speaker, where we express our views. We exchange them eventually. Since we come from various parts of the country, accommodations can be made and it is in accommodation that lies the success of our federation. After all, it is the lesson given during the last century by all federations. They represent various interests, but undoubtedly they realize, and that is indisputable, that the strength of the federation far exceeds the individual strengths of federation members, but once in a while, problems do arise.

[*English*]

I would like to go back almost a century, to 1878, when the first Liberal prime minister, Alexander Mackenzie, observed that there were three great problems facing Canada at that time: inflation, unemployment, and national unity. Of course. Canada was only 11 years old then. It was not a thrust that came out of Quebec or out of what was formerly Lower Canada which called national unity into question. It was from Nova Scotia. If one bothers to read Canadian history, a subject which is not taught very much in our schools and one

in which present-day commentators are not well versed, one recalls that Joseph Howe actually got the Nova Scotia legislature to pass a resolution approving withdrawal from confederation. But such was the good sense of the people of Nova Scotia that they saw this was not the right way. So the little firecrackers we now hear, banging off here and there in certain areas of Canada, not only in Quebec—there are some damp squibs which go off from time to time in western Canada—are nothing new.

• (1710)

There is one further dimension. Today we are seeing far too much confrontation, a sort of dialectic approach to the problem which to my mind contributes nothing to an eventual solution. Some have suggested that our feelings on this question are more tense than they were years ago. Well, Mr. Speaker, I don't know. If we read the important speeches of Joseph Howe and the others of his generation, I am sure we would be persuaded that Canadians of a century ago spoke with as much heat and emotion as people do today. It is true, of course, that this could be appreciated directly only by those who listened to them at political meetings, or, to a lesser extent, read their speeches as reported in the press; there were no facilities for instant communication such as we have today, nor for the almost equally instant editorializing which is done by program producers with regard to the comments of today's political leaders as they appear on radio or television. Nevertheless, I suggest the intensity of emotion was just as great in those days as it is now.

Perhaps our problems are more complex. I do not know whether this is true or not. Complexity is always relative. As to the solutions which might be proposed, in their context they will not be more dramatic. They will certainly not be more untried than those put forward by the pioneers of this country. I do not look upon this motion as being a matter of Canada versus Quebec, or of Quebec versus the rest.

[*Translation*]

Or of French-speaking Canadians, not only in Quebec but elsewhere, versus the rest of the country. Not at all. What is the text of this motion? I quote:

That this House holds the Government directly responsible for the present economic disorder . . .

It is about economic disorder. We must consider this matter and unfortunately the minister did not go through the question. I think that he evaded this difficulty wisely and carefully because we know that there is economic disorder throughout Canada. And the motion concluded this way, and I quote:

. . . and the disastrous consequences of that disorder upon the spirit and unity of the country.

[*English*]

Of course, the economic problems of the country must be reflected in the attitudes of Canadians wherever they may live, and they certainly are applying strains on national unity. The media maintain a high profile for the situation in Quebec. But that is only a symptom of the malaise which has existed all along in confederation. The people of Quebec express them-

selves culturally, linguistically and in other ways because they are a people and they have been affected by regional circumstances. There is no such thing as painting Canada with the same brush from St. John's, Newfoundland, to Victoria. Commentators have always thought in terms of finding a sudden solution to Canada's problems.

Mr. Speaker, we shall always have problems. We have had them for a hundred years. We have them today. We shall have them a century from now, perhaps because there are so many factors over which man has no control, including the fact that he cannot be relied upon always to make the best decision. Let us see where we can go to fight this regionalism. Economic difficulties? We have had inflation since 1968 under the Prime Minister (Mr. Trudeau). I remember seeing him before the television cameras announcing measures of stringency, restrictions on the hiring of new public servants, and so forth. I happened to be enjoying a holiday on Cape Breton Island on that occasion. I was in Sydney, Nova Scotia, that day and I watched the Prime Minister telling us the government had resolved to deal with inflation. It was not very long afterwards that he told us inflation had been wrestled to the ground. But it continued. Some 18 months ago the then minister of finance quarrelled with his prime minister, resigned and slammed the door. They talk about splits in parties! What was that but a split, and a fundamental split?

● (1720)

We have had inflation, and it is the federal government which is responsible for allowing it to develop and to carry through from 1968 to 1975 relatively unchecked. As a matter of fact, in the early 1970s they were in there fuelling it with the greatest of coal shovels, piling on the heat. We have had nothing but a history of accelerating unemployment. The solutions have been shoved under the carpet. Here and there there has been a mandate, but no fundamental solutions. Or if there were solutions to be applied, the government has failed right across the country to recognize the problems on a regional basis.

We have declining exports on a constant dollar basis. Our trade is in one hell of a mess. We are faced with high cost and low productivity. In what I am saying now I am going after hon. friends to my far left.

Mr. Paproski: They have gone.

Mr. Lambert (Edmonton West): They seem to think they have the sole mandate to speak for organized labour. Within the last three or four years there has developed, somehow, the mistaken philosophy that you can take out of the Canadian economy more than you put in and stuff yourself sick with the money you get out, or with the leisure that you want at someone else's expense. Tie this in with a stupid unemployment insurance scheme which is not insurance at all.

Mr. Munro (Esquimalt-Saanich): It is welfare.

Mr. Lambert (Edmonton West): A former minister responsible for unemployment insurance, who has also slammed the door on this place and is now in Quebec, said that unemployment insurance was the cornerstone of a guaranteed annual income which he was going to implement. It now appears that one union wants a 30-hour work week and a 10-minute break every hour. Until we decide that we are going to be masters of our own economy, that we are going to produce for our own benefit and for those for whom we are responsible, we will have these kinds of recurring problems.

There is no such thing as the status quo in this regard, Mr. Speaker. Either we improve the situation, or it belabours us about the ears until we are silly. Despite DREE and the hundreds of millions of dollars which have been spent, we have slow-growth economic areas. Are any of the these areas better off as a result of all the money which has been poured into them? I do not think so. For a long time the government resisted having the Economic Council of Canada look at that type of program when it was within the power and the purpose of the council to do so. No, the government is using the old type of snake bite medicine which used to be sold on the carnival circuit, the type of philosophy that cannot stand examination. They would not dare to send it to the laboratory for examination, but it sounded good, and at election time some real IOUs in certain areas were collected as a result thereof. That has been the history of DREE.

The consequences have been disastrous. In western Canada, the premiers have just completed a monumental and most memorable conference in Brandon. They have listed 130 intrusions by the federal government into the activities or spheres of action of the provinces. The provinces of western Canada have been complaining for decades about the transportation policy which has been in place, in the same way that the province of Quebec has been complaining in many fields for decades. We had the western economic opportunities conference in Calgary three years ago, and we saw the Prime Minister, the former minister of finance, Mr. Turner, and the former minister of transport, now Senator Marchand, marching along the road to Calgary in—

Mr. MacFarlane: Calvary?

Mr. Lambert (Edmonton West): They should have marched along the road to Calvary, but I said "Calgary"—marching along the road, in penitence robes, saying that the government of Canada would do much better for the western provinces. They gave a solemn undertaking. I say, mere words, mere puffery, mere hypocrisy. Not one thing has been done for the western provinces. One can see the bitterness and frustration of the western premiers which they expressed in Brandon.

Mr. O'Connell: Are you sure not one thing was done?

Mr. Lambert (Edmonton West): If one thing was done, then perhaps it was like the pebble on the beach, totally lost.

Mr. O'Connell: More than one.

Mr. Lambert (Edmonton West): Since 1974 very little which was fundamental has been done for western Canada, but the point I want to come to is this. I should like to refer

hon. members, in the limited time left to me, to a paper prepared by Dr. O. J. Firestone of the University of Ottawa last March. It has been presented, so I may refer to it. I am sorry I do not have the opportunity to make much more reference to it. It is entitled "The Economic Case for Regional Decision-Making" and its historical approach is masterful. I commend it to all hon. members. They can get copies of the paper from me, and in it they will see that Dr. Firestone has hit upon a fundamental truth.

We hear the Premier of Quebec saying that more decisions of an economic nature must be made in Quebec City. Premier Lougheed says more economic decisions which affect Alberta should be made in Edmonton and Calgary rather than in Ottawa, Montreal or Toronto. In other words, the status quo must not continue. This so-called separation reminds me of the married couple where one spouse says, "I am going to divorce you, but I am reserving weekend rights". That is what we are being offered by Mr. Morin and company.

● (1730)

Mr. Paproski: And a joint bank account.

Mr. Lambert (Edmonton West): Yes, a joint bank account. It is similar to a unilateral divorce in which week end visiting rights are preserved.

An hon. Member: With twin beds.

Mr. Lambert (Edmonton West): With twin beds, of course. Our contribution to this debate has to be limited. I cannot cover the whole subject as I would like. I would ask hon. members to study a more flexible approach from a regional point of view, within the Constitution. The Constitution will have to be amended. There is no doubt about that. It is not going to be done by a unilateral patriation. There will have to be general participation. Canadians will have to be more conciliatory. Whatever one area of Canada gains is at the expense of other Canadians. There is no Canadian who will grow in stature by one cubit, one half inch or one centimetre by lopping off the head of another Canadian. We must work together instead of having these tinpot quarrels where power hungry men are out to grab more power. Is it for the benefit of their people? Not at all. It is for their own benefit.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I want to use my 20 minutes to talk about a single idea. That idea is job creation. In one way or another, the focus of this resolution and the burden of the debate we have been hearing is: if more jobs had been created by the government, if there were more new jobs for young people and more employment in the underdeveloped regions of this country, we would be a more united country and a more prosperous country. We would then be dealing with issues on an entirely different basis. The shortage of jobs for young people, and for people in depressed regions, is an ingredient in the problem Canada is facing today.

I would like to look at some of the solutions proposed by members opposite in this debate today. I would like to see how much better off we would be if they were adopted. I will show that we would be worse off if we adopted some of the suggestions which have been made by members opposite. Before I do that, I would like to set the scene in an international context. The hon. member for Saint-Hyacinthe (Mr. Wagner) indicated it was the kind of federalism in Canada today that was responsible for unemployment in the province of Quebec and a lot of the unemployment problems we have across the country. It is interesting to say our federalism—

Mr. Baker (Grenville-Carleton): Not federalism!

Mr. Kaplan: Mr. Speaker, I want to be fair to the hon. member. He indicated it was our kind of federalism.

Mr. Baker (Grenville-Carleton): It is the way you do it.

Mr. Kaplan: If our kind of federalism is the problem, how does he explain the fact that unemployment among young people and in depressed regions is the single leading economic problem in each of the major industrial countries which went to London for the meeting last week end? If it is the unique Canadian way of doing things that is responsible, why are unitary countries, European countries and the country to the south of ours, all saying youth unemployment, women unemployment, and unemployment in certain regions are the main problems which they face?

Mr. Baker (Grenville-Carleton): Where do we stand in the spectrum? That is the point.

Mr. Kaplan: All right, where do we stand in the spectrum? The hon. member for Waterloo-Cambridge (Mr. Saltsman) did a bit of reading to the House. He selected an article by John Kettle, who is known more or less as a brilliant gadfly columnist for *Executive* magazine. He certainly does not speak for the magazine. He is perhaps the most interesting thing in the magazine. His point of view is very often that of a gadfly and a provocateur of ideas, as is the Hudson Institute for which John Kettle is a consultant.

I would like to read to you the opening words of a column which appeared in the *Financial Times* of Canada. This price is not a gadfly column. This is news reporting. This article is addressed to the Canadian audience and is contained in the *Financial Times* of Canada of May 9. It reads as follows:

> It may seem hard to visualize Prime Minister Trudeau as the leader of the free world's best performing economy. But, judged on the record of the last few years, he is.
>
> According to a new study prepared before last week end's seven-nation economic summit, Canada ranks as the single economy that has most successfully bounded back from the 1973-74 recession.

Hon. members opposite asked me a moment ago, "Looking at the problems of all these other countries, why is ours so much worse?" Here is a Canadian report on an international study done by the Bureau of Economic Research, and not done by Jim Coutts or Senator Davey. It was prepared by non-Canadian analysts who come to the conclusion, judging the record of the last few years, that Prime Minister Trudeau is the leader of the free world's best performing economy.

Mr. Baker (Grenville-Carleton): No wonder he is a gadfly. He is also a shadfly.

Mr. Kaplan: The article continues:

For the world's seven largest economies, they have devised a monthly composite index of economic performance which compares some key indicators of economic activity, including personal income, output, employment, unemployment and sales.

Mr. Munro (Esquimalt-Saanich): We are good at unemployment!

Mr. Kaplan: The hon. member for Esquimalt-Saanich (Mr. Munro) says, "We are good at unemployment", but that is part of the mix. That was taken into consideration in a national study which produced the result under the headline "Trudeau the Wizard".

Some hon. Members: Oh, oh!

Mr. Kaplan: I do not want to create the impression that government is happy with the way today's economy is performing. I do not want to create the impression that the government does not realize the very things hon. members opposite have been saying—it is unemployment which is our most serious problem. Especially unemployment among the youth of Canada and unemployment in the depressed regions are problems. Our performance has been the best compared to the seven countries referred to in that study. I am referring to the countries whose representatives went to London to discuss the performance of the economy. Our economic management has produced results which have been internationally rated as successful. They are not satisfactory to us, but have been rated successful internationally.

What are the alternatives being proposed by hon. members opposite? I was interested in the comments of the hon. member for Champlain (Mr. Matte)—

[*Translation*]

—what the hon. member for Champlain (Mr. Matte) had to say. For him, it was the importation of goods at a lower cost than the cost of production in Canada!

[*English*]

He is indicating that the villain is cheap imports—cheap shoes from Taiwan and Korea; cheap powdered milk; and various other things. What is the solution? Close the door and give Canadians a protective market for shoes? Let us make all our own shoes; let us make all our own electronic equipment? A lot of people in Canada see that as our salvation. I have no doubt that more jobs would be created in Canada if that were the case. If we required Canadians to buy Canadian-made shoes and Canadian-made electronic goods, and if we only had products manufactured in this country, more jobs would be created. However, there would be some problems, and I will deal with them in a minute.

● (1740)

Mr. Paproski: Shoes would cost $150 a pair.

[Mr. Kaplan.]

Mr. Kaplan: Please, do not give away the rest of my speech. I want to come to the problems which would be created.

Mr. Paproski: A television set would cost $1,500.

Mr. Kaplan: Let us consider the NDP's suggested solution. They say there are enough jobs in Canada. We agree. And what do they say? "The government should create employment." What does that mean: create employment? It means, put more people on the public payroll.

Mr. Munro (Esquimalt-Saanich): You are doing pretty well now.

Mr. Kaplan: Certainly, we could do that. We are to spend $465 million in the coming year, more than we have ever spent before, on direct job creation in the regions. The figure could be doubled, tripled, even quadrupled, and there would be lots more jobs in Canada. So there we have two kinds of solutions for the problem.

I listened to the Conservatives with interest. They said there ought to be more intergovernmental consultation in job creation. Joe Clark recently—

Mr. Baker (Grenville-Carleton): Please!

Mr. Paproski: Please refer to him as Leader of the Opposition.

Mr. Kaplan: The Leader of the Opposition (Mr. Clark) in a recent address gave his solution, which is reviewed in the Vancouver *Sun*, the heart of Conservative country, as "Rubbish, Mr. Clark." His solution for job creation was to provide more stimulus in the economy, which would heat it up faster and faster. We are being asked to look for solutions of that kind.

Some say the solution to our problems is to close our doors to foreign imports or to put more people on the public payroll. Let me deal with one solution I have heard well-meaning people bring forward in my riding as I go around it defending and explaining the government's economic policy. People say to me, "Why was it possible for our economy to produce full employment during the war? No one was looking for a job during the war. We were able to place everybody in jobs, and could have placed even more people. Why cannot we return to that kind of economy? Why cannot we find a way to put all our people to work, to produce all the things we need, as we did during the war? Must we have a war to put everyone to work?" Mr. Speaker, it is true, during the war all our people were working, but Canada was working itself into the poorhouse. If we had gone on fighting the war with our hard work, we would eventually have reduced our gross national product to zero.

When you produce in war, it does not matter what things cost. You don't price things. They must be made. You tighten your belt. It does not matter, if you are producing something which is needed, because the product is dumped, destroyed on the battlefield, lost or ruined. True, people are working, but work alone is not the way to increase the country's prosperity.

You have to be making things that are good value and that people are willing to buy. And I will say the same about the job creation approach of the NDP, and the closed door approach the Socred party advanced in the House today. Those are ways to get people working, but not ways to increase this country's prosperity, which is what we want to do.

We are one of the most prosperous countries of the world. What has been the ticket to our success? Has it been putting everybody on the government payroll?

Mr. Munro (Esquimalt-Saanich): Pretty well.

Mr. Kaplan: Has it been taking in each other's laundry, closing the doors, and making this a closed inward-looking internal economy? That is not how we became one of the most prosperous countries of the world. That is not how we attained one of the world's highest standards of living.

Mr. Baker (Grenville-Carleton): My friend, you have been brainwashed.

Mr. Kaplan: We have reached our present high point by having the resources, the know-how and technology to produce goods the world has wanted, at the best possible price, and selling enough of them to enable us to afford our high standard of living.

If people in Taiwan will make shoes for 35 cents an hour, I want to see Canadians having the benefit of footwear made for 35 cents an hour. If they will make television sets for low prices in Asian countries, why cannot we have the benefit of those television sets, provided we can do something in return, provided Canadians can find jobs worth $6, $7 or $8 an hour; and this, to a certain point, we have been able to do. That explains how we have been able to afford our present high standard of living.

Our economy has worked well for us. Even with high levels of unemployment, with the kinds of programs and adjustments we have put in place, all Canadians more or less have been able to share in our high standard of living and in the prosperity which has resulted from the way in which we have run our economy.

But in the last two or three years we have seen important setbacks in the Canadian economy. We have begun to fall behind, begun to think that the $6, $7 and $8-an-hour-job can be found without harder work, without doing more and without creating more. We have been taking away from each other, and thinking that that is a way to move ahead. This setback has been expressed in inflation and in the changing value of the Canadian dollar. It received its greatest push when international economies, including our own, were threatened with recession, which was more serious abroad but certainly serious in our own country. We reached the point at which we had to take dramatic action to protect our economy, to preserve the kind of economy which has been doing very well for us. Ours is a free enterprise, mixed type of economy.

What action did we take? We introduced the controls program, which has now been in effect for over a year. Our experience in the first year was good. We beat our target, even though lots of people did not think we would. We are moving well through the second year of the program, and at some point between October 14 and the end of the program we will go through a phase-out process by which time, hopefully, we will have put excessive inflationary pressures and exaggerated expectations behind us. Hopefully, the program will have created the realization that you cannot take anything out of an economy unless you put something into it.

We are taking advantage of the period of controls, of this pause, to make a number of fundamental changes.

Mr. Munro (Esquimalt-Saanich): Name one.

Mr. Kaplan: The hon. member asks me to name one. I will name several. We have taken advantage of the controls program to try to make important structural changes in our economy.

Mr. Munro (Esquimalt-Saanich): Yes, like Canada Works.

Mr. Kaplan: We are doing this so that we can resume our place, so that we do not have to protect low paying jobs, so that we can move forward into the kind of sophisticated, advanced economy in which all of us can earn a higher income and maintain one of the highest living standards in the world.

What have we done? Perhaps the most impressive thing we have done is something which the Conservative party said we would never do, bring down the rate of monetary expansion to a level which even the Conservative party must consider reasonable.

Mr. Munro (Esquimalt-Saanich): It should not have been so high in the first place.

Mr. Kaplan: Perhaps not. Increasing the money supply before the controls program was introduced had an important purpose. It tended to keep the interest rate lower, and it helped us not to fall into the kind of economic recession into which our neighbour to the south fell. In any event, during the controls period the rate of growth of the money supply has been brought down to a level the Conservative party must consider reasonable—although recently the hon. member for York-Simcoe (Mr. Stevens) said in another place that the expansion is still too high. It is within the target figure which he said two years ago this government could not reach. That is the first thing that has happened during the control period.

The second thing that has happened is the restraint of growth of the federal government. This has been extremely important, not because there were not good reasons for the government service to grow previously, but because there were good reasons for the government rate of growth to slow down during the control period. I do not want to repeat the speeches which have been made by the President of the Treasury Board (Mr. Andras). It is a matter of record that important government restraint has been achieved during this control period, and a commitment has been made by this government to continue to honour restraint even after the controls come off

and to keep the growth in the 1977-78 fiscal year well within the growth of the gross national product.

● (1750)

What further has been done? A number of structural changes are under consideration. The competition bill is now before parliament. It will have the effect of making the economy more competitive in areas where market power is considered to be a problem. At the same time it recognizes that bigness is not necessarily bad, and that where bigness benefits the consumer, under the surveillance procedures provided in the bill it will be permitted to continue.

In addition, we are looking at industrial relations. A 14 point program has been put forward by th Minister of Labour (Mr. Munro), aimed directly at improving industrial relations, the temperament of the workplace, the safety of the workplace, and relations between labour and management.

The structure of industrial relations is up for review. A number of proposals have been made. Some of them are so sensible one wonders why they were not implemented years ago. For example, a broader base for collective bargaining is being sought. Why should the total air industry go out on strike when the ticket sellers cannot settle their collective agreement? When the ticket sellers come to an agreement and go back to work and then when the pilots cannot settle their differences, why should the whole industry again go on strike? When the pilots settle their differences and go back to work and then when the air traffic controllers' negotiations break down, why should the whole industry go on strike again. Obviously the broader the base, the fewer days lost there will be within particular industries. I hope provincial ministers of labour will be looking at these proposals for reform in industrial relations. I hope that before the controls come off we will see important steps forward in improving this area of tremendous weakness in the Canadian economy.

We cannot simply follow the example of any other country. We have to find our own way, but we know we have to improve the mechanisms we have. An hon. member opposite asked what has been done. Well, a remarkable new rapport has been reached between two sectors which have always been in confrontation in Canada in the past. Labour and management are talking to each other during this period of controls in a way that they never have before talked. They are looking for a common position which they can put to the government which would provide a basis for removing the controls earlier than would otherwise be possible. They are taking some of the confrontation and hostility out of their relationship and hopefully making it possible for settlements to be reached in the future and for prices to be determined in a way which will not take us back to the kind of inflation we have had until now.

Mr. McKenzie: If you are so good, how did all these things happen in the first place?

Mr. Deputy Speaker: Order, please. The hon. member's time has elapsed.

[Mr. Kaplan.]

Mr. McKenzie: You people have been in power all this time, and if you are so brilliant how did all these things happen?

Mr. Kaplan: Mr. Speaker, it is very close to six o'clock, and perhaps I might be allowed another minute. I can conclude in one minute.

Mr. Deputy Speaker: That can only be done with the unanimous consent of the House. Is there unanimous consent for the hon. member to go on for a minute or two to complete his remarks, at which time I will call upon the hon. member for Esquimalt-Saanich (Mr. Munro)?

Some hon. Members: Agreed.

Mr. McKenzie: Give the Canadian people an explanation of what you have been doing for the last 14 years.

Mr. Kaplan: The hon. member for Winnipeg South Centre (Mr. McKenzie) asks why, if the economy is so well managed, is it not performing better. Well, it is not performing as well as we would like it to perform, but the hon. member has given me an opportunity to conclude the way I began, by quoting from this *Financial Times* article as follows:

> It may seem hard to visualize Prime Minister Trudeau as the leader of the free world's best performing economy. But, judged on the record of the last few years, he is . . . Canada ranks as the single economy that has most successfully bounced back from the 1973-74 recession.

We have not done as well as we would have liked to have done, but we have done well enough to indicate that the economy is not being badly managed.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, it is often my fate to be on my feet just at this particular moment. I should like the unanimous consent of the House to call it six o'clock.

Mr. Deputy Speaker: Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being six o'clock, I do now leave the chair until 8 p.m.

At 5.57 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

● (2010)

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I hope that I will not disappoint hon. members, particularly the hon. member for Waterloo-Cambridge (Mr. Saltsman), by a lack of serenity in the remarks I am planning to make this evening. I may very well introduce a note of accerbity into this debate. I am indeed a bit bitter, but I am more angry than bitter.

On occasion we say in English that we speak more in sorrow than in anger. On this particular occasion I speak in sorrow and in anger because of the great disillusion that has been brought about for me, because of the fate that my country is now suffering as a result of the mismanagement by this government. I have always had a vision of Canada. Otherwise I would not have volunteered 36 or 37 years to be sure that that vision could be realized.

[*Translation*]

I cannot conceal from you, Mr. Speaker, that I am worried and concerned over recent events, particularly the result of the vote taken last November 15 in the province of Quebec. The Liberal party is now ruthlessly campaigning to blame or to put the responsibility for the Liberal defeat by the electors of our neighbour province, on the CBC or on the English-speaking population of the rest of Canada. This campaigning will go on without respite, I am sure, until the by-election and maybe even until the general election. The Liberal party is looking for a scapegoat.

Those who are truly responsible, Mr. Speaker, first examine their own actions and their conscience. Right after a defeat or in an abnormal situation, they do not try to put the blame on others. On the contrary, they question themselves to find out where they made a mistake, where they went wrong. Let me indicate how I interpret the events of November 15: the population wanted to reject a government in which it has lost confidence, a reflection of the government in Ottawa, provincial and federal governments alike. And why has all confidence been lost in the federal government? Just look at the economic situation of the country! I would dearly love to read today's motion:

[*English*]

That this House holds the Government directly responsible for the present economic disorder in Canada and the disastrous consequences of that disorder upon the spirit and unity of the country.

[*Translation*]

I support that motion wholeheartedly. Why have the people lost all confidence in the federal government? The economic situation is one explanation. It inspires no confidence in the direction taken by the government. Look also at the atmosphere of confrontation in which Pierre Trudeau's federal government governs. The Prime Minister has decided to govern, through federal-provincial confrontations, labour confrontations, cultural confrontations. That government preaches animosity. As for the respect we owe parliamentary institutions, for instance, one needs only look at the attitude of the present government in that regard.

Recently, to mention but one example, the Minister of Transport (Mr. Lang), within 48 hours, made two statements outside the House of Commons concerning basic changes in railway and maritime transports in Canada. Those statements should have been made in the House, thus allowing hon. members to ask for details or express censure.

This government, Mr. Speaker, wants to govern without consulting the electorate or its representatives, the members of parliament. That is why, in my opinion, the role of Parliament is declining, and as a result the spirit and unity of the country are suffering, which partially explains the results of the vote of November 15. I feel a deep concern over the future of our country. That future will be seriously jeopardized if the role of Parliament is not restored. Our party, the Progressive Conservative party, which is the one that founded our country, is dedicated under the leadership of Mr. Clark to restoring the credibility of our parliamentary institutions by consulting Canadians regularly and thoroughly to identify their wishes.

[*English*]

When I think in terms of my vision of Canada, I go back to a very famous speech. With your permission, Mr. Speaker, I would like to, not paraphrase, but alter the words to the present context. The speech was made more than a hundred years ago and it reads like this in its modern interpretation:

● (2020)

Five score years ago and more our forbears brought forth on this continent a nation dedicated to the proposition that two peoples of differing cultural and linguistic backgrounds could live in harmony together and thrive.

This is my Canada.

Less than five years later that notion was extended geographically from coast to coast, and a bare 20 years later a rail line connected one coast with another thus binding the country from sea to sea with bonds of steel. In less than 20 years a great miracle was accomplished with political and engineering ramifications of tremendous consequence.

Barely ten years ago we celebrated our centennial. That was the year of hope, jubilation and thanksgiving. What happened to the thrill of 1967, the high spirits and the expectation felt at that time? Just ten years later, where have they gone? Where did we go wrong? I submit we went wrong in 1968. We did not lose the way. We all have our vision of Canada and our dreams. The way was lost for us by this government. It was lost for us economically, constitutionally, and in parliament itself. It has been lost for us through the degradation of respect for law and the will to work. These last ten years have done untold damage to our country. I can do no more than sketch in some of the highlights.

In that period the national debt has doubled from $20 billion to more than $40 billion. The size of the public service has almost doubled. The budget increases are almost incredible. It is hard to believe that from a budget of $10 billion, more or less, in 1968, the budget has grown until, in 1977, it is $42 billion. It has quadrupled.

It is instructive to note the failure of the government in the economic field. In terms of promised growth, there has been under performance; in terms of exports, under performance; in terms of foreign direct investment, under performance. The figures are revealing. In 1971 direct foreign investment in Canada totalled $925 million. By 1975 it had fallen to $630 million. By 1976 foreign countries had reduced the value of their holdings by nearly $400 million showing their lack of confidence in this country.

As I have shown, there has been over-performance in government spending. A record job has been done on inflation.

There has been over-performance in areas which leave lasting, tell-tale marks on the economy, and under performance where it would count. In the area of employment opportunities there has been under performance. When it comes to providing proper incentives for investment, there has been under performance.

There is another element which concerns me greatly and it is one which has contributed to the disunity of this country and to the falling off in morale. It is the degradation of our institutions, including the institution in which we now speak. The Prime Minister (Mr. Trudeau) has made one speech in this House since October of last year, I think it was. His policy pronouncements are made either in another parliament in another country, in the Press Club across the road, or somewhere out in Saskatoon or elsewhere on the prairies, but not in this Chamber. He is totally lacking in regard for this place. His attitude is one of arrogance. Although not here at the time, I suppose I figure among those he has called nobodies. Members across the floor do not even recognize that they are nobodies, too, in his eyes. I have suggested that they come across to this side of the House and watch the Prime Minister when he is performing. Hon. members over there see the back of his head. I see the disdain on his face. I have witnessed the profanity used by the Prime Minister in this House. It is true he said he regretted it, but what he regretted was that it got on the record. And when he was taxed about it he did not apologize. He just expressed regret and said he hoped he had not caused any inconvenience. And then, when the matter was picked up again he used even more unacceptable profanity.

Mr. Roberts: If you carry on in such a sanctimonious way you will have to join the NDP.

Mr. Munro (Esquimalt-Saanich): I was proud to be elected to this Chamber in 1972 because I thought I was going to an institution which had a constructive role to play in the development of Canada. What did I find? I found in those four and a half years a government which has no regard for this institution and which has driven our country deeper and deeper into the morass. There are so many instances of abuse, misuse, and arrogance on the part of this government with respect to this House. One can cite the use of public transportation to transport domestic help to this country until it was brought to the attention of the public by the press; then it ceased. In fact the domestic help had to pay part of its way back.

● (2030)

Respect for law has also been downgraded as a result of the activities of this government. It in turn has had its adverse effect on morale and the desire for unity in this country. How can there be unity when this institution has been downgraded and no one respects it, because the government itself has no respect for it? That is our great problem. If we had a core in this parliament of ours which people in Canada respected, we would have a core around which to rally and we would have unity. It is the flight from that which has contributed enormously to the disunity which we are observing in this country today.

As for respect for law, Mr. Speaker, do you remember the judges who were telephoned? I remember one incident which never got on the record and I am determined to put it on the record now. It occurred on June 3, 1976, an interview of the Prime Minister by Gordon Henderson on the Global television network. This was at the time when the constitutionality of the AIB was being tested and the Prime Minister said that the Supreme Court would not decide the Anti-Inflation Act was unconstitutional. He then said, "Why do you ask that question?" The interviewer replied that that was the question that had been put to it, so the Prime Minister replied, "Well, I'm telling you what the Supreme Court is going to decide". The interviewer said; "You are confident then, Sir?" You could not guess the reply, Mr. Speaker. It was, "I phoned a few judges". Then there were titters and there was laughter. That is no laughing matter, Mr. Speaker. Even if it was said in jest it is no laughing matter to degrade, not just this institution but the Supreme Court of this country. It is absolutely incredible that that should happen, but since it has happened it is not so incredible that we should be suffering as we are from disunity and a sagging morale.

Another comment made by a minister which I feel cannot go unchallenged was this—I cannot remember the exact date—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his alloted time has expired. He can continue with unanimous consent. Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

Mr. Munro (Esquimalt-Saanich): I will terminate my remarks with this instance, Mr. Speaker. This was a comment made by the Minister of National Health and Welfare (Mr. Lalonde) which I caught over the airwaves. He complained that French Canadians have been denied the opportunity to share in the development and shaping of Canada. That is not only mischievous, it is misleading, and is a monstrous distortion of history and the current situation. It just should not stand unchallenged. On hearing this I drew up a list of large corporate institutions, and 16 out of the first 50 of these largest institutions in Canada have their headquarters in the province of Quebec.

We all give due honour to our French speaking forebears who discovered the western regions of our country, whose names are remembered out there, some of whom were martyred. They were saints from that generation. All are revered. That comment by the Minister of National Health and Welfare deserves to go down in history, I think, as one of the most deplorable comments that could be made.

I have many, many other comments to make on this matter since I am deeply distressed at what the government has done to my country and the vision I had of my country. However, I do maintain it and I will go on doing my utmost to make sure that this vision will become a reality.

Hon. Martin O'Connell (Scarborough East): Mr. Speaker, I was preparing a few notes and thought I might come on a little later, but I am pleased indeed to enter into this debate and to make some remarks to my colleagues in the House is an attempt to bridge the two matters which are raised in the resolution before us, namely, economic policy and national unity. I am going to do so in the search for some perspective.

I am going to begin with the suggestion that all regions of Canada have such fundamental economic problems that they need each other in a new way, perhaps in a way they have not needed each other since Confederation; and that it is this convergence of need and difficulty which each region faces which gives us all the possibility of rebalancing Confederation at the level of economic structure and basic economic policy. I include Ontario in this description of the fundamental economic problems facing regions of Canada. I do so particularly because it is often assumed that Ontario has benefited the most from Confederation; that Ontario is so rich and strong that it is this province which is called upon to make concessions, to show some leadership, to concede certain things in order to hold the country together. What I want to fit into my remarks is the notion that Ontario too is in deep economic trouble and in relative industrial decline.

We can cope with this, but to do so Ontario needs all the other regions of Canada in striving for a new economic balance. This is one of the hopeful things which will bring about a new set of compromises suited to our needs, just as the compromises made at confederation established economic destinies, as it were, or vocations for the various regions of our country 110 years ago. This will therefore be is my thesis.

I am going to focus on the prairie provinces and suggest that the grievances of the prairie provinces can be regarded as frustrated industrialism. These grievances can be accommodated. Accommodating them would be more than simple justice for the prairie provinces. It would be more than fulfilment in the economic sense for prairie potentials. Accommodating those grievances would help solve Ontario's pending and present economic problems. Therefore there can be a basis for unity in industrial policy.

● (2040)

The grievances of the prairie provinces with respect to industrial policy come at the same time as Quebec's pre-occupation with language, culture, and a political sovereignty thought to be necessary to protect those objectives. In a sense, therefore, the confederation compromises are coming unstuck. What were they? In a broad sense, as expressed partly in the national policy of Sir John A. Macdonald, they may be summarized as this: in the central part of Canada there would be built a strong industrial heartland. My point is that that heartland is eroding and losing its strength in a relative sense. In the west there would be created a resources vocation. The prairie provinces would be filled up with immigrants and would be linked to the other regions of Canada via railway. The industrial heartland would be protected by a tariff system. The national railway network would be protected by moving goods behind that tariff barrier to the east and to the west, exchanging the products of each region.

The confederation compromises included for Quebec measures which were thought to be sufficient to protect cultural, linguistic, educational, and legal interests. Those are now being challenged as indequate. I will not say that they are being rejected. The prairie provinces are rejecting the vocation of a resources area which was laid out for them in the confederation compromises. Ontario by a series of economic development is no longer the confident secure industrial heartland. Transportation policy is challenged and tariffs are no longer significant to protect it.

I should like to review the evolution of the western economy to support my thesis. The western economy began with wheat. It is based on wheat, minerals, cattle, forests, oil and gas, all moved in bulk as basically raw materials with freight rates which reinforce that vocation for western Canada. They are freight rates which support the movement of raw materials as opposed to processed materials. The clearest example is rapeseed, and it is true in the sense of cattle as opposed to meat. Rapeseed moves to Vancouver and over to Japan at the Crowsnest Pass rates which are very low rates, indeed. They encourage the export of seed. Crushing takes place in Japan and employment takes place in Japan. In a sense those freight rates confirm the west as an exporter of raw materials. The movement of those products to eastern Canada is four or five times more expensive through the transportation system. This economic bias is frequently expressed in hostility to freight rates. What is being frustrated, however, is the further processing of the product in the prairie region. What is being frustrated is the value added, better jobs, higher incomes and more opportunities because the policy system locks the region into an earlier regional destiny.

The prairie provinces feel ready for the next stage of economic development which is further processing and industrialism. They are seeking not only a rearrangement of the transportation rates but a negotiation on tariffs in the United States. These negotiations must be carried on by Ottawa. The negotiations would seek to lower the rapid escalation of tariffs in the United States against the import of processed products. Look for example at the natural gas which is produced in Alberta. It can be exported without tariff to the United States. Ethylene, which is made from natural gas, can be exported without tariff. Ethylene is a building block in a long series of plastic industries and other industries. The United States will take that basic block without putting any tariff wall against it. If the west wishes to proceed to the next stage of industrialism, which would be polyethylene of considerably greater value in terms of incomes and balance of payments, it faces a 20 per cent tariff. If it went to the next derivative which is polyvinylchloride, the tariff would escalate again. How can industrialism come to the west if we do not negotiate downward the escalating tariffs of the United States? Thus, there is not only transportation. There are tariff negotiations and the question of assured markets in Canada for those processed products. One cannot build further processing based solely on exports.

What are we prepared to do in Central Canada to accept processed goods from the prairie provinces? Will we buy meat or will we not? We may buy it if we change the freight rates. Will we buy polyethylene, or will we insist on making it only in Sarnia? Ontario and Quebec therefore have a question to ask themselves with respect to national unity as reflected in the economic policy influencing prairie attitudes. They have to ask themselves whether they are prepared to see a different vocation for the prairie provinces than the one laid out 110 years ago, and reinforced by national policies over which we have control. I am thinking of assurances which may not be of the same kind, but in spirit they are similar to the assurances which were given to the western crude oil market in eastern Canada when it was a question of assuring the development of that industry. Assured markets went only to the crude oil stage. Are we now prepared to alter transportation and other mixes of policies so that industrialism can come to western Canada? If we are not, we are not working at the question of national unity reflected in basic economic policy.

Ontario is in such economic difficulty that it is perhaps prepared to look at that question in a new light. What are its economic difficulties? I do not want to speak in a gloomy way this evening, but there is cause for concern. We hear it said with validity that the central industrial heartland is no longer competitive with the products of the Third World and the United States, which is our principal market. For various reasons we have always been less productive in the sense of value of production per worker, value of production per man hour, and value of production per unit of capital employed.

● (2050)

However one measures productivity, it is generally accepted that Canadian manufacturing is about 20 per cent less productive than U.S. manufacturing. Not all our industries are less productive. Some are more productive. However, on average, it is true to say we are less productive. According to a Department of Industry, Trade and Commerce study which I have before me, our labour productivity is perhaps 18 per cent lower, as measured in 1972 terms. When one combines the productivity of labour with that of capital the picture becomes even worse. For example, according to figures for 1972, the rubber and plastics industry in Canada is almost 27 per cent less productive; the furniture industry 27 per cent less productive; knitting mills 32 per cent less productive; printing and publishing 41 per cent less productive, and so on. It is thus unfair to speak only of the differences in labour productivity, of our productivity levels being 18 per cent lower. When you combine labour with management, whose function it is to use capital and labour in efficient combinations you see that we are 38 per cent less productive on the average in the manufacturiel section. Therefore one can see that there is a real problem in how we employ capital in this country and manage our industries.

Our wage costs are often higher than in the United States. Money used as capital costs Canadians between 15 per cent and 20 per cent more than it costs Americans. Construction costs are higher in this country because of severe weather and other conditions.

Mr. Gillies: And inadequate federal policies.

Mr. O'Connell: As one looks at the total picture, it becomes increasingly obvious that this so-called strong industrial heartland has entered a new phase of non-competitiveness and stready erosion. We have not yet felt the impact of manufactured goods produced in Third World countries. They will sweep over our remaining tariff barriers. In addition, we face non-tariff barriers in our best market. Those kinds of barriers have been erected to protect that market against products of the kind we will allow duty-free entry to Canada, because of our desire to help transfer economic resources to the Third World. Therefore the future of this industrial heartland of which I speak is not bright.

Why do I say that the future of this industrial heartland is tied to the future of western Canada? It seems to me Ontario needs an industrializing western Canada to which it can sell the products of its higher technology. Ontario needs an assured Canadian market for its higher technology products, exactly in the same way as it needed a somewhat assured market in the past to which to sell the products of its standard technology. We can only face foreign competition if we develop our higher technological capabilities; we can only develop these capabilities if there is a market to which we can sell the products of our higher technology. We cannot export all such products; we need a central economic base, or a market for them in this country. Surely an industrialized west will provide us with such a market. For example, it could use a control technology for processing. In exchange, we should accept the products which the west will want to sell to us. By so doing we would not only use our transport system efficiently but, by helping other regions, help to foster national unity. By all this I am suggesting that we need to examine again national economic policies. We must admit we are in deep trouble and need an industrialized west, as much as 100 years ago we needed the primary resources of western Canada.

I am emphasizing Ontario's difficulties, not because I wish to highlight our present difficulties, but because I wish to suggest that if Ontario understands where its own interests lie it will seek a new relationship with western Canada. Our best prospects for hope lie in western Canada. That is where a good deal of our industrial future lies.

I urge hon. members to examine what the Science Council has to say about technological sovereignty, for they will note some startling statements. For example, a summary of a paper presented at a seminar reads in part:

> The paper presents the argument that Canadian secondary manufacturing is trapped in an evolutionary cul-de-sac. Past and extant policies have promoted modest industrialization along with technological underdevelopment and dependency.

The Science Council says that we are trapped partly because we are technologically dependent on others for innovation. Therefore, we must restructure industrial policies in Canada to

escape from this trap. I suggest we should look again at western Canada.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but I must inform him that his allotted time has expired. He may continue, with the unanimous consent of the House. Has the hon. member unanimous consent to continue?

Some hon. Members: Agreed.

Mr. O'Connell: Mr. Speaker, I will be brief, having already made my principal point. Let me continue speaking on industrial policy. It seems to me that we, at the political level, are again called on to make the sort of choice Sir John A. Macdonald made in this House 100 years ago. Perhaps we have depended too much on bureaucratic systems, depended on them to improve our economic performance. That course, I suggest, is no longer acceptable in this country. We need a new economic design, so to speak, rather than merely better performance under existing structures. But producing a new economic design is very difficult politically. It might mean choosing to help those industries in Canada which have some promise of life. We would have to specialize, and help to consolidate some industries. Perhaps government procurement policies would have to support those industries which promise to stay alive, and in trade we must stop acting as boy scouts. That is to say, Marshall support mainly for those industries which are critical for the success of this country.

Mr. Speaker, I did not dwell on the question of Quebec, serious though that is. I wanted to talk about economic policies in relation to unity. What is happening in Quebec is not the only matter of crucial concern to parliament, for we face the challenge of regional disparities. These questions confront us, as they did 100 years ago. All these difficulties, together with the difficulties Ontario faces, must be foremost in our minds today. I feel confident, as I am sure others do, that we will be as creative as the Fathers of Confederation were, and possibly future generations may look upon our generation as a founding one if we understand all our country's problems and come to grips with them.

● (2100)

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, it is always an honour to follow the erudite member for Scarborough East (Mr. O'Connell) in any debate, but I want to say that I listened with interest to his learned comments on ethylene and polyvinylchloride and the complaints he made about the economic policies which have bound this country into its present state, and I would like him to sit there and think about what administration over the years has been principally responsible for those policies about which he now complains.

Disillusionment and discontent with the terms of Confederation are not a recent phenomenon, nor have they been confined exclusively to any part of this great nation. Nova Scotia, for example, has been a province which has, in the 110 years since our nation was formed, reflected the views of the most bitter opponents of Confederation as well as the convictions of some of its most prominent advocates.

A look at contemporary history readily reveals that whenever nations begin to slide into an economic recession or encounter difficulties related to a diminution of common will and resolve, there are various regions or parts of these nations that inevitably begin expressing their feelings as to whether or not they might be better off as independent entities. Perhaps the best example of this is to be found in a nation from which we have received much of our common heritage, the United Kingdom.

When Britain was a dynamic force in world affairs with a strong, vibrant economy, a favourable balance of trade, and was a leader in technology, there was little talk of Welsh or Scottish nationalism. We are seeing now in this country, in times of adversity, the same type of situation which is prevalent in the United Kingdom where national unity is strained and where the sum of the parts of the nation appears greater than the whole. The motion, therefore, of my distinguished colleague, the hon. member for Saint-Hyacinthe (Mr. Wagner), is a very timely indictment—and a very necessary one—of the government which, by its economic mismanagement, has contributed greatly to the lack of spirit and the disunity in our country.

Since this is the House of Commons and since we are the politicians in it, we all must share some of the responsibility. I know that this probably will not be a popular statement as far as some Liberals are concerned. I am sure they feel that since they have been in control of this nation's destiny for most of the past 50 years, with the authority to make most of the key decisions which have brought us to this crisis, they should be exonerated from any responsibility for it, because that is the way they think and operate, at least recently. Certainly it can never be said that in recent years the Liberal party has ever failed to place the party ahead of the country. Any suggestion that this is not the case, particularly in recent years, will not meet the test of reality.

Can you imagine, Sir, it being said of the present Prime Minister (Mr. Trudeau), as it was of some great Prime Ministers in our past—Sir John Thompson, for example, from Nova Scotia—that "he won't even consider whether a thing is good for the party until he is quite sure it is good for the country"?

When the present Prime Minister inherited the leadership of the Liberal party and our country, no one could deny that he acquired problems which have always characterized Canada: difficulties with transportation, problems in satisfying competing regional interests, and so on. He also inherited inflationary trends and a rather high, for those times, unemployment rate. Then, as now, relations with the United States were always an important priority for Canada on the international scene. Canadians have watched and listened to this Prime Minister since the heady days of Expo and have been assured at various times that our traditional problems were well under control. Inflation had been wrestled to the ground, unemployment had been solved, trade deficits had been overcome, the United

States and Canada had had a fantastic breakthrough in their relationship, and regional development was under control by virtue of the creation of the great new Department of Regional Economic Expansion, which was going to solve most of the problems of disparity in our country.

Canadians were also told that separatism was dead in this nation, and that latest piece of good news came just about a year ago. Unfortunately, all of these assurances, together with many other statements related to the economy and transportation, were and are demonstrably false, and that is part of the reason for the necessity of debating in this House the sorry state into which our nation has fallen. A little honesty in the past and fewer cliff-top orations would have served this nation much better.

The Atlantic region, like our sister province of Quebec, has suffered from long periods of chronic recession Whenever the regional disparity gap between ourselves and the rest of the country seemed to be narrowed and prosperity was on the way, some problem or other caused the region to have its growth potential blunted and its aspirations once more destroyed. As in other parts of the country, people in eastern Canada are conscious that our efforts to reach our destiny as a great nation are losing their impetus. We are all trying desperately to recapture that sense of purpose which will help us, as history unfolds, to realize our destiny as a truly great nation, and we are confident that, as the competence of governments improves, some of the misleading and untruthful predictions which have been mouthed in recent years may turn out to be true.

It was, after all, a great Liberal Prime Minister from Quebec who said that the twentieth century belongs to Canada. Well, time is running out on this century, and on a far different type of Liberal administration than the one led by Sir Wilfrid Laurier, for us to realize this cherished goal.

The immediate focus of attention in Canada today on the issue of national unity is on La Belle Province, and rightfully so. We in the maritimes are greatly concerned about the course of action now being taken by the Parti Québécois, but we are, as we always have been, proud of our great sister province and of the excellence it has brought to our country in many spheres of activity: in the theatre, the arts, fashion, in sports, and particularly in making it possible for Canada to speak to the international community in two of the world's great languages.

On a lighter note, it is heartening that despite all the rampant Quebec nationalism and current talk of separation, even those zealots in the Parti Québécois have not decided to change the name of the greatest hockey team in the world, the Montreal Canadiens, to les Québécois de Montréal, so all is not lost.

Some hon. Members: Hear, hear!

Mr. MacKay: Separatism, or independence, is not a new phenomenon in this country, nor is it peculiar to the province of Quebec. In 1867, 17 of the 18 federal candidates in Nova Scotia ran against Confederation and, what is more, they were elected. But now no Nova Scotian premier or member of Parliament would ever come to a conference on Confederation, in this, the second century of it, with any suggestion that our province of Nova Scotia would or should ever separate, and so it will be in the future with the province of Quebec.

Some hon. Members: Hear, hear!

Mr. MacKay: During the past century Nova Scotia has had many eloquent and able supporters of Confederation, including three prime ministers, and had the hon. member for Halifax (Mr. Stanfield) become the fourth Nova Scotian to become Prime Minister, our country today would be well on its way back to true unity and prosperity, because the characteristic of Nova Scotians in Confederation has always been their ability to accept adversity for the common good of the country and to work toward improving their lot and that of their nation.

That philosophy has extended from the early days of Confederation to the present time and has been echoed again and again by people like Angus L. MacDonald, that great Nova Scotian premier and federal cabinet minister, and George Nowlan, another distinguished cabinet minister and great son of our province, who pointed out in many a speech in this place that there were more than bonds of sentiment which bound this country together. He reminded us that we had a private railway and a national railway to span this continent, and a private broadcasting system and a public broadcasting system in the same way. George Nowlan reminded us as well that we could go through our national institutions, examine any one of them, and find that we have made a unique nation, one in which we could take pride instead of one for which we sometimes apologize. He admonished us to stop talking about gloom and doom and to stop taking out our livers, propping them up on our knees and examining then to see whether we had cirrhosis. His advice is as applicable now as it was then.

Our nation is a unique one, and one of which we can all be proud. Its territorial integrity can never be negotiated; however, the position we find ourselves in today is full of ironies. We see the various regions of our country chafing under a government with delusions of adequacy and under the accompanying illusion that central government planning can tinker with the economy, change policies on an ad hoc basis, and apply general measures affecting different and unique regions where specific ones are needed instead.

Jacques Parizeau, the Quebec Minister of Finance, said of his own government's economic approach that he preferred a scalpel to an axe. Our country is too fragile and too unique to be governed with the heavy-handed, uniform policies characterized by this government. We need to be molded into a force collectively, not forced into a collective mold.

In the maritimes there is no antipathy or bitterness to any other part of Canada. There is, rather, the desire not to be a burden, to help and to share in creating a great country, to develop our own resources, fisheries, forests, agriculture, mines and other industries which have shown in the past that they are viable in our own particular economic climate. We can do it, but not under the policies followed by this government, a

government which is demonstrating bankruptcy, not only in the area of policy development, but rather in an economic sense as well. It is leading our nation to the point where we are perilously close to not being able to have the financial resources to finance the great capital projects that will be needed to assure the type of sound development and construction of infrastructures and capital works projects of the type that the right hon. member for Prince Albert (Mr. Diefenbaker) had begun to put into place for this country when he was Prime Minister.

● (2110)

Canadians in the Atlantic Region and in Quebec remember the commitment that he had toward regional development; the steps he had begun to implement to develop the north; the first steps toward plans for a national power grid; his concept of councils of resource ministers and his determination to get rid of hyphenated Canadianism. People remember his commitment to his country. No one could ever say of the right hon. member for Prince Albert that he had any greater priorities than the welfare of his country; with him, politics came second and Canada came first.

We need a renewal of that spirit to get on with the consideration of the ends, not the argument over the jurisdictional means, toward development of our nation. Waste and incompetence in managing our country are a disgrace and a blight on our national psyche.

Consider the sorry state of some of the basic areas of administration and development under this government, such as the position in which the dredging industry now finds itself; a situation concerning which the cabinet had ample warning years ago had they chosen to act.

Consider the millions wasted in hare-brained schemes relating to employment programs—such as when the National Employment Service was disbanded and bifurcated into a Manpower and UIC system in the name of the national manpower strategy—which once more is being changed after hundreds of millions of dollars have been wasted on this administrative abortion.

Consider the monster airports which no one—particularly the industry and the people affected—wanted. Probably between Calgary and Mirabel in the last few years several hundreds of millions of dollars of unnecessary expense has been incurred with negative results as far as the public and the airline industry are concerned. Consider another example, the grandiose public works schemes in Hull which are dislocating thousands of workers and creating more problems, as usual, than they solve. Then there is the miserable and expensive failure in our prison system.

All these things and many other equally foolish projects are causing Canadians to lose heart and to lose pride in their country. They realize that the funds which were wasted, if wisely invested in the province of Quebec, as well as eastern Canada, in sound developments, in housing, in transportation, could have made a great difference in the outlook and in the prosperity of this part of our nation.

Our neighbours to the south are attracting Canadian capital and Canadian talent because they are doing much better as a nation than we are. They are more competitive, more productive and, to our shame, more patriotic. In the process, in some areas, they are even becoming bilingual. Spanish is the second language now in cities like Miami, and in parts of Louisiana French is being actively taught and the use of it is being encouraged.

Make no mistake, Mr. Speaker, if the government of the United States of America and its people decided to have a bilingual nation, they could do it. On the record of their performance compared to the sorry group of incompetents that are leading this country, they would probably overtake us in this field as well, before very many years had passed.

Why is our country in such a sorry state? Mr. Speaker, the main reason is that our government for some years has become obsessed and exclusively preoccupied with its own political future; far more so than with the future of the country. It is very ironic that the bastion of its power in past years is the region of Canada that is causing it the most concern and which is showing the most ingratitude today. There is something ironic in that, and it is perfectly understandable when one considers that not long ago the Prime Minister went to the province of Quebec and made savage mockery of the then Premier, Robert Bourassa.

We, as Conservatives, must bear the blame to some extent because after all we have not provided a provincial federalist party to which the people of Quebec could turn. We must therefore share the responsibility for the fact that people of Quebec, in an attempt to get rid of a corrupt and incompetent government, had to turn to an administration which, while committed to providing good and efficient government, also had a philosophic commitment to divorcing this beautiful province from the rest of us. We are not without blame either.

The remedies for Canada's problems are not simple. It took many years to bring this prosperous and happy nation to the state in which it now finds itself, and it will take some years before some of the scars can be removed.

Encouraging reduction of government powers at all levels is far more timely and more needed than transfers of power from one level of government to another. We need to restore to the various partners in Confederation, the feeling of purpose and of being masters in their own houses. We do not need any further encroachments upon the lives of our people by governments, federal, provincial, or municipal.

We need, as well as encouraging a feeling of independence and pride in our people, a re-assessment of those government programs which were supposed to have some effect in reducing regional disparities. It is becoming obvious, on the basis of independent studies by competent people and agencies, that the regional development program conceived by this government in 1969, is not working. Transfer payments have helped slow growth regions far more than has DREE acting by itself and, often, at cross purposes with other government departments. Regional development has not made much of a dent, if any, in our slow growth regions.

Pride in national unity is not entirely a matter of economics. Our young people, and people generally, must be persuaded to work and not to emulate the Prime Minister's philosophy of exercising their right not to work, as he once expressed it.

Instead of frittering money away on grandiose and useless projects, which in many cases do not meet with the public need or approval, we must, particularly in those areas of Canada where unemployment is highest, get on with the job of constructing power grids, opening mines, building docks, wharves, grain elevators for storage, and all the practical things that can stand us in good stead in future and help us develop our economic muscle.

Let us also, as members of this House of Commons and Senate, begin to work toward restoring a sense of respect for this place and ourselves as elected representatives of our people. Let us devote more of our energies while we are here toward the business of the country and less toward our own, and in the process consider some of the needed changes in our constitution as outlined in part by the distinguished hon. member for Saint-Hyacinthe this afternoon.

Let us encourage our people by every means possible, perhaps by subsidizing travel at some periods of the year, if necessary on public transportation, to become better acquainted with our nation and the many ethnic groups in it and the many beautiful regions that many people have never seen. In this way we will not only foster pride in our country but will dispel many of the stereotyped impressions, based on lack of personal contact, that plague our country and cause tensions.

Recently in Toronto a man who had come to this country after the war from Poland approached me, and on the subject of national unity he asked, "What do you say when people make a point of saying to you that they are English or French?" While I was hesitating, not quite certain of his meaning, he broke into a broad grin and said, "I tell them 'Good for you—what part of England or France are you from?'" Then he said, "This is what is wrong with our country. People are not willing to be Canadians—they want to be one sort or another of a particular kind of Canadian."

National unity will never be truly achieved until we are proud to be Canadians first, and while not forgetting our heritage, are not working toward imposing it or flaunting it in the face of others who share origins of which they are just as proud.

Let us remember that it is not where we have been or from whence we came that is primarily important: it is where we are going, what sort of a heritage we can create, and what sort of a future we will leave for our children. National unity is terribly hard to define. Perhaps one picturesque way of trying to do so is to recall the legendary exchange that is supposed to have taken place between Hilter and Churchill some years ago, when their countries were at war. Adolph Hilter declared that "the German Reich was bound together by chains, but that the British Empire was held together only by moonbeams." To which Churchill replied, "Yes, that may be true, but have you ever tried to cut a moonbeam?"

[Mr. MacKay.]

I would prefer to think that the various parts and regions of this country will never be bound entirely together by mere physical bonds alone whether rail, road or pipeline, however important they may seem to be, but will be held together as well by common bonds that are as beautiful and as intangible and everlasting as moonbeams—the concepts, ideals and desires of all in this country to be Canadian.

Some hon. Members: Hear, hear!

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, before going on to a discussion of the topic before us this evening I should like to congratulate the hon. member for Scarborough East (Mr. O'Connell) for what I thought was an extremely thoughtful presentation about one aspect of the problem of Canadian unity and how it relates to the evolution of economic policy. There are certain things I strongly disagree with, but his was a very thoughtful presentation, and those who are not present this evening should read it.

I certainly think that the motion before us today on the government's responsibility for the present economic disorder in Canada and the disastrous consequences on the spirit and unity of the country, is an important one, and I congratulate the hon. member for Saint-Hyacinthe (Mr. Wagner) for introducing it. In beginning what I have to say in general support of this motion, I want to state that I recognize there are, of course, international considerations that have stimulated a good deal of economic disorder throughout the world. However, there is little doubt that the economic mismanagement of the fiscal, monetary, and commercial policies of this country has to be laid primarily at the door of the present government.

• (2120)

As a social democrat I am troubled at the failure of the government not only to produce more needed goods and services for Canada, but also at its general failure to redistribute income as between the lowest 20 per cent on the income scale as against the highest. The amount of unemployment, both measured and hidden, is now the highest since the depression.

Let us first look at the distribution of income. It is a sad but true fact that under this government the poorest 20 per cent of Canadians share only 4.4 per cent of Canada's economic pie, which is technically called our national income or gross national product. On the other end of our income spectrum, the wealthiest 20 per cent of Canadians share 42.2 per cent of it.

These figures have remained almost the same despite the continuous introduction of new income transfer programs and the expansion of some older ones. It is despairing that, between 1969 and 1974, the family income of the poorest 20 per cent of Canadians fell by 7 per cent. This does not say much for the old Trudeau concept of building a just society in Canada.

It is a myth for federal Liberals to be claiming that they are, through their policies, increasingly redistributing away from the rich to the poor. The fact is that these so-called transfer payments, many of which were initiated by the CCF and the NDP, have not led to a reduction in the inequality of income in

this country but rather they have held that inequality virtually steady.

There is increasing evidence that Canada's tax system is less progressive now than it was ten years ago. The poor do benefit to some extent from transfer of income through the tax system, but the rich benefit even more. This latter point has been recently documented in a study done by the National Council of Welfare report called the "Hidden Welfare System."

Professor Irwin Gillespie's studies at Carleton University, and Gillespie is an acknowledged authority on how incomes are distributed in Canada, have pointed out that the total public sector does restribute income, but its redistribution is away from the middle and upper middle classes to both extremes of the income scale, to the poorest and the richest.

The net gains to the poor are twice as large as the gains to the upper middle classes, but the gains to a family in the richest income class are largest of all, some three times larger than the gains to the poorest family. In short, as Gillespie shows, the increasing contribution of middle and upper middle income Canadians generates the major gains to rich Canadians; each rich family gained three times more than each poor family and six times more than each middle income family.

It is distressing to realize that because of the loopholes allowed to the rich by this government, and because of the larger negative and regressive impact of federal and provincial sales taxes, as well as property taxes on the poor and low income earners, I repeat it is distressing to realize that the increase of transfer payments and higher taxes have left the poor in this country proportionately worse off in the middle of the 1970's than they were at the end of the 1960's.

It is equally distressing, if not more so, to see clear cut evidence, which the media in this country rarely focuses on, that the relative improvement of the rich has, for the most part, been at the expense of the middle class. Something is obviously wrong with the economic system and the management of it by this government.

Two of the serious implications of what I am saying about distribution of income refer to two groups in our society. The first is the one parent family headed by women. The second is the poor kids that exist in Canada. Let us discuss the question of one parent families headed by women.

In 1974, according to the last official statistics I have seen, 300,000 Canadian families had only one parent. In 261,230 of them, the parent is the mother. This has occurred of course because of the fivefold increase in divorces between 1964 and 1974, as well as because of desertion and deaths. Between 1966 and 1971, the number of single parent families increased at three times the rate of two parent families. The pressures on the women who are heads of these families is almost unbelievable, since studies show that poverty affects 53 per cent of all one parent families.

These pressures particularly affect women on their own. In 1973 the survey of consumer finances discovered that 59.6 per cent of single parent women lived in poverty. This compares with a national average of 12.7 per cent of all families and only 14.1 per cent for single parent males. The reason is obvious. Single men can get a job far more easily than single women, who can seldom get a job paying enough to support their children. Instead, they are forced onto welfare.

In 1974 almost 40 per cent of all Canadian women were working. They made up over 34 per cent of the Canadian labour force. Their earnings, though based on a 1973 Statistics Canada figure, were such that 45.9 per cent of all women heads of families earned less than $2.50 per hour. At the same time, only 11.2 per cent of male family heads earned that little. Of the over 631,000 children of single parent families in Canada, approximately 143,000 are pre-schoolers. Yet in 1974 there were only 50,000 daycare places available in Canada. Now what about the poor children?

The "Poor Kids" report by the National Council of Welfare on children in poverty in Canada, published in March, 1975, showed that there are more than one and a half million poor children in Canada.

I remember my leader asking me to do a short resumé on behalf of our party over the CBC on this. I received ten letters saying it was not true. I sent each of those people who corresponded with me a copy of the report. Except for one person, each of them wrote back saying that they were shocked to see a verification of the poverty in that report.

• (2130)

As the report revealed, poor children are more likely than middle class children to be born prematurely, to be less fit, to have lower IQ ratings, and to underachieve in the school system. It goes without saying that poor children are less well represented in court. One of the striking things about this study is that it reveals that 60 per cent of all poor children in Canada live in Ontario or Quebec.

Let us look at unemployment under this government. Of course we know this is one of our most serious problems. If you count the official figure, which is over 900,000, along with the unofficial figure for the number of hidden unemployed, sometimes referred to as "discouraged workers" you arrive at a figure which is closer to 1,200,000. There is little doubt that with a growth rate in the economy projected at between 3.5 per cent and 4 per cent this year, the national unemployment rate this winter will be as high as 8.5 per cent or 9 per cent. Indeed, it will be much higher still except for a factor referred to as a decline in the participation rate in the labour force, which occurs when there are no jobs available in the economy. In such a situation the percentage of people working and looking for work automatically goes down. This is very true of the Atlantic region. Thus, the official unemployment rate as put out by Statistics Canada misstates the under-utilization of human beings in our economy.

Not only are we failing to produce many billions of dollars worth of needed goods and services which could have been produced had the unemployment rate been, say, 4 per cent, but one must also take into account the loss of hundreds of millions of dollars in the form of taxation of governments at all

levels, plus the enormous unemployment insurance pay-outs which are presently necessary. The high unemployment is one of the major reasons why the budgetary deficit is so great.

I know that at the present time there is an attempt being made to rationalize the situation in many parts of the establishment by saying that unemployment is not as hard on people as it was in the thirties. This is little comfort to people who have to bring up families and maintain a standard of living in the seventies. It is said that, given the present rates of unemployment insurance benefits and other social programs, it is mainly the housewives, the young adults and people over 55 who are affected, not primary breadwinners. In other words, it is claimed that the composition of the unemployed has changed and that this makes a significant difference. To my mind, when government spokesmen use an argument of this kind— I recall the Minister of Manpower and Immigration (Mr. Cullen) and the former minister of manpower and immigration, as well as the Minister of Finance (Mr. Macdonald), resorting to it—it is no more than an attempt to rationalize a serious situation. None of us in this House would judge our standard of living, except that we are now getting large salaries, on any other basis but on family income. In other words, if you were a lawyer before you came here you would be judging your standard of living on the income you received as a lawyer and on the income which might be coming from other members of the family. And if this goes for that profession, what must it be like for the average Canadian?

The point I am trying to make is that we have to judge the seriousness of the unemployment among women, housewives, young adults and so on, by what it does to family incomes, rather than using the rationalization that it is not such a serious problem because it falls on the categories of people I have mentioned. We recall what the Minister of Manpower and Immigration said on one occasion about the changes in eligibility for unemployment insurance. It might have been a slip of the tongue, but it was very significant nevertheless. He said it was only housewives and "kids" who would be affected.

We know that unemployment among our youth is very serious, and attention has been called to it in a special way by figures recently released by Statistics Canada. Although I am supporting this motion put forward by the official opposition I was startled to read recently in the Ottawa *Citizen* about a dialogue which was supposed to have taken place between the Leader of the Opposition (Mr. Clark) and a student at Medicine Hat, Alberta, on this question of student unemployment. The student was asking the hon. member for Rocky Mountain, according to this article, about a guaranteed income proposal he had endorsed during the leadership race last year. The Leader of the Official Opposition told the student he no longer favoured the proposal because recent abuses of unemployment insurance had convinced him it might prove too strong a disincentive to work. According to this report, he added, "The natural instinct to work is not as strong among young Canadians as I had thought." That is not exactly a new view. Nor is it supported by the facts.

While three out of every eight unemployment insurance recipients are under the age of 25, fully half of Canada's unemployed are in that age bracket. As beneficiaries of jobless pay, young people are actually under-represented. There is nothing mysterious about that. It is just that even the eight weeks of steady work needed to qualify for unemployment insurance benefits are hard to come by when job seekers outnumber jobs by almost 20 to one.

In the past two years the number of unemployed young people has grown from 258,000 to 387,000—from 9.6 per cent of those between 15 and 54 years of age in the labour force to a figure of 14 per cent. Some, including the present Minister of Manpower and Immigration, have tried to pin the blame on the education system. The hon. gentleman told a recent conference:

> It is time for us in Canada to reorient our educational systems so that young people get the education and training which will ensure them employment.

Unfortunately the minister failed to explain what kind of education and training would enable the 778,000 then unemployed to fit into the 41,000 jobs which were then vacant.

The Acting Speaker (Mr. Ethier): I regret to interrupt the hon. member but the time allotted to him has expired. He may continue by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Hogan: In conclusion I should like to make a few comments on the issue of national unity. I thought I would have a little more time to spend on that question.

To the extent that the performance, or lack of performance, of the economy has intensified the Quebec separatist movement, the present government must be held responsible for the unemployment rate of some 10 per cent which exists in that province. At least 40 per cent of the young people in Quebec are suffering the effects of unemployment generated in large part by the failure of the federal government's economic policy. It cannot be blamed on the Parti Québécois.

The government has certainly mismanaged the national economy and we, in the Atlantic region, together with our fellow citizens in Quebec, share the legacy, as I have already noted, in the form of extraordinarily high unemployment. It is little wonder that a tenured, separatist, professional elite at the University of Montreal and other universities in the province, as well as teachers at high school level, find willing ears among young Quebec students as they advocate their separatist ideas. After all, Mr. Speaker, the Prime Minister (Mr. Trudeau) comes from that province, and he was telling us last year that separatism was dead. Some death! No wonder we are in trouble as a nation.

● (2140)

Mr. Paul E. McRae (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I had intended to speak the full 20 minutes, but the hon. member for Don Valley (Mr. Gillies) also has to get in his speech tonight so I

will keep my remarks to not more than ten minutes to give him at least a few minutes in which to say a few words.

I should like to congratulate the mover of this motion who, I am sorry, is not here at this point, on the speech he made today. It was a speech that contained a great deal of moderation and thought. Many other speeches have been made along the same line, and in general I think we have been looking for solutions to the problems confronting us.

At a time when the economy has been growing at the rate of 3 to 4 per cent over the last eight or ten years as opposed to growth of perhaps 2 per cent over the last century, when we are fourth or fifth lowest in terms of rate of inflation among OECD countries, when we have created by far the largest number of jobs of any country among OECD countries in the last five to six years, and when we weathered best the recession compared with other OECD countries, it seems strange that there should be such concern and malaise in the country today.

Under normal circumstances, Mr. Speaker, our achievements might be considered a roaring success, but these are not normal circumstances. These are not normal times but very complex times. In order to solve our problems we must look at the future very differently from the way we looked ahead in former times. We must find different solutions because the problems are different.

Most of us in this House grew up and were educated under a regime which told us there were no such things as shortages—if only we could let ourselves go we could have everything in Canada. We were told we had all the resources necessary, and in such great abundance around us that we could consume, consume, consume. That has been the *modus vivendi* of our society. Then in the past three or four years a very important change came about. Instead of the notion of cheap and abundant energy, we have now reached a point where we are facing shortages of energy. All of a sudden we have a totally new concept; instead of the concept of abundance we have the concept of shortage.

In the last few days we had a report published by the workshop on alternate energy sources which told us that as early as 1985 the world will experience a very serious shortage of oil. By the end of the century this shortage will be such that we will probably have to convert to other energy supplies, and automobiles in their present form will no longer exist. This is a major problem which will require some very serious thought and radical change.

We are also told that in the next 15 years Canada will need $180 billion for energy capital in today's dollars. This means that every family unit in the country will be required to pay out something like $30,000, almost the equivalent of the cost of a home in today's dollars. Last week we had a magnificent report by Mr. Justice Berger which told us about the problems of the north, both environmental and social, which this kind of energy development could cause. We have been told by the President of the United States, and by our own energy minister, that we must change our ways, that we must learn to conserve, that we must move away from a consumption type economy. We must embark upon a wholly new lifestyle. As I say, these are not the times we have known in the past.

Another problem facing us is inflation. Inflation is world-wide and not confined to Canada or to one or two countries here and there. With almost no exception there seems to be a basic inflation rate of 5 per cent no matter what one does. This 5 per cent basic inflation rate was discussed at the economic summit and seems to be an insuperable problem.

Unemployment is also a word-wide problem. Even with a 3 to 4 per cent growth rate there is massive unemployment, not just in Canada but all over the industrial world. Despite more than a 20 per cent increase in jobs in this country between 1971 and 1975, twice the rate of any other country in the OECD group, we have serious unemployment in Canada. Consumer demand is growing at a rate of 5 to 6 per cent a year, despite the energy shortage. In the last few months $2.4 billion was pumped into the economy in terms of demand money. Despite the last budget and indexing, we still have massive unemployment.

Unemployment is a structural problem, not a problem which can be solved by increasing money supply and consumer demand. If you have a 4.6 per cent unemployment rate in Alberta but a 17.4 per cent unemployment rate in Newfoundland and you increase consumer demand, this will mean that most of the benefit will go to Alberta with only a slight lowering of the unemployment rate in Newfoundland. In other words, it is a structural problem which requires a structural answer.

I should like to deal with the regional approach because I think this is the direction in which we should go. For example, I am pleased at the amendments to the Unemployment Insurance Act to allow the act to function differently in the Atlantic provinces from the way the act functions in Toronto.

Young people and women who enter the labour force also face a serious employment problem. During the 1950's about 60,000 young people were leaving schools, universities and so on and entering the labour market annually. Today this figure is around 250,000 a year and is rising, and we are told that the situation will not improve until well into the 1990's. How can we solve this kind of problem?

The thing that bothers me a great deal about the situation is that we are virtually setting up two classes of Canadians. One class of Canadian is employed in the work force permanently. The other class, which I think consists mostly of young people, may very well never be part of the work force. I do not think we can solve this problem by increasing demand or even by government projects. Rather we must look at the total work force and at the amount of work that can gainfully be done, and then somewhere along the line there must be a concept of work sharing, some way in which young people can plug into the labour market and older people can retire earlier. We have to look at new ideas to solve this problem.

• (2150)

In conclusion, these are unique times. I would love to develop that notion, but these are very, very different times,

and the solutions are not going to be the standard ones we hear talked about in this House. We must move in new directions and do a lot of new thinking before we come to a successful solution to the problems we have. We must change our lifestyle significantly in the next four or five years.

Mr. James Gillies (Don Valley): Mr. Speaker, I want to thank the hon. member for Fort William (Mr. McRae) for giving up some of his time to allow me to have a word or two at the end of this important debate today. I am pleased and proud to have the opportunity to be the closing speaker in this debate because I think it is an important one. The parliament of Canada must get involved in an understanding and a discussion of the issues, which have to be the most important issues that have faced Canada since Confederation.

I have been alarmed and distressed, since the election of Mr. Levesque in the province of Quebec, that this parliament has been moribund in not dealing or discussing with any sort of depth the real issues which are facing the nation. If we do not start to face them in the federal parliament of Canada, we will lead to the destruction of the nation we all cherish so much. The party which I have the honour of representing today has done a major service in introducing a motion which asks parliamentarians to look at issues which are important in Canada today. I am referring mainly to the important issue of separation. I am sorry the motion today was not dealt with in a more direct manner.

What has been the fundamental relationship between the development of separatism in the province of Quebec and the operation of the economic policy of this nation as a whole? Historically you will not find any examples where separatism in a country has risen except in response to a very strong differentiation in levels of economic performance.

If you look at the evolution issue in Great Britain today, the problem areas for the British are Scotland and Wales. There have been major differences in levels of economic performance there. If you look at France, Brittany is the area which has been concerned about the operation of the country as a whole. It has been an area of deprivation. The areas where federalism has really worked are areas where there have not been major differentiations in levels of economic performance. If you look at Canada and analyse the economic performance in the province of Quebec, as related to economic performance in other areas of this country, the reality is that the province of Quebec has had a much poorer economic performance than the rest of the country as a whole.

In the province of Quebec the level of unemployment has been consistently high and the rate of investment has been consistently low. The question one has to ask is: why? The national government has the responsibility for economic performance. It has the responsibility for doing something about the differentiation in regional rates of development. It has failed. The issue is very important and must be made clear to the people of the province of Quebec. They have been given a song by the premier of Quebec that they can have political independence and the same standard of living which they have at the present time. It is a song which is very hard to resist. To the terrible criticism of all of us in the Parliament of Canada, it is going unanswered.

The program being offered by the premier of Quebec is going to be irresistible to many of the people in that province because it is based on some very real facts. The people who happen to be members of parliament in Canada at this time will be looked on by their children and grandchildren as having not even responded to these issues. If anyone canvasses around Canada, they will find out that the respect the people of Canada have for their members of parliament has gone down. The reason is very clear. We are not living up to our responsibilities. We are not debating the real issues in the House of Commons of Canada today. We are not raising the questions about which the people of Canada care. They care about keeping this country together. They want this country kept together, and we do not talk about it here. We do not debate it here.

We had an opportunity today to come to grips with this issue. I have great respect for the hon. member for Scarborough East (Mr. O'Connell). He did not direct himself to this issue. He spoke about the west, in a debate which ought to be on whether or not this country is going to stay together. He spoke about tariffs. That is not the issue. The issue is: why has not the federal Government of Canada been able to provide for the people of Quebec an economic opportunity equivalent to that enjoyed by the rest of the people of Canada?

Mr. Kaplan: It has not been better in the Atlantic provinces, and they are not leaving Canada.

Mr. Gillies: The statistics are very clear. They show the people of the province of Quebec have been faced with an unemployment rate which has been consistently 20 per cent higher than the rest of Canada. Why is that so when they have the resource base they possess? To mention the Atlantic provinces is irrelevant. It is also unimportant in this context if you look at the resource base in those areas. The important issue to the people of the province of Quebec is whether they are going to stay in Confederation. I do not care whether you are Liberal, Conservative, NDP or Créditiste. That is irrelevant to me. I would like to see this country stay together. That is what I care about.

Some hon. Members: Hear, hear!

Mr. Gillies: I do not care about those other things. The people of Quebec know their economic performance has been low. It is our responsibility to have an important debate to show them, if they separate and if they vote for Mr. Lévesque, that their performance will not be improved. They have to be shown that the reasons for their low economic performance are not endemic to Confederation.

If they decide to go with Mr. Lévesque in the province of Quebec, which is a market of six million people instead of 22 million people, with a concern about investment being slowed down because of uncertainty, and a concern about nationalization of asbestos, their standard of living is going to be much less than if they stay within Confederation. Nobody in this

parliament or in this country is telling the people of Quebec that story. As federal politicians we are going to find out, because we did not tell them that story—

The Acting Speaker (Mr. Ethier): Order, please. It being ten o'clock it is my duty to inform the House that, pursuant to Standing Order 58(11), proceedings on the motion have now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADIAN BROADCASTING CORPORATION—REQUEST THAT FINAL GAMES OF WORLD HOCKEY LEAGUE CHAMPIONSHIP BE TELEVISED

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, with the greatest pleasure I would have allowed the hon. member for Don Valley (Mr. Gillies) some of my time tonight because I will not need seven minutes. I will try to follow on the same theme as the hon. member for Don Valley has raised this evening, which is Canadian unity.

The reason I am on my feet tonight is in regard to the problems we are facing in Canada with hundreds of thousands of people requesting that the WHL hockey finals be televised. We have had very little success with the Canadian Broadcasting Corporation in resolving this problem until today. The hockey finals could be a great step toward Canadian unity. This matter has nothing to do with French, English, or anything else. People in Quebec, in Manitoba, and in the rest of Canada want to see the hockey finals. We have been running into a blank wall, and the matter has now reached the floor of the House of Commons. It has been brought up time and time again over the last number of weeks, and today it took three members of parliament to raise this issue before we could get any action on why CBC will not televise the WHL finals. One of the reasons given is that they show too much sport. It is said that the WHA games are not on the same level as those of the NHL. I do not agree. Today the WHA is on the same level as the NHL. Since hundreds of thousands of people are demanding the televising of this particular hockey final, the least the CBC can do is comply with their wishes.

● (2200)

Mr. Paproski: This government does not care.

Mr. McKenzie: As I said earlier, three members of parliament raised the question in the House, I being one of them, but we got absolutely no answers from the three ministers we questioned. I pursued the question this afternoon in the Standing Committee on Broadcasting, Films and Assistance to the Arts. The President of the CBC, Mr. A. Johnston, was there. Since I raised this question in committee this afternoon, several things have happened. I received three telephone calls from the CBC this evening. Apparently they are prepared to show a couple of these final games live. I am repeating what I have been told by CBC officials. Incidentally, I am pleased to note the presence in the House of the Secretary of State (Mr. Roberts) who answers for the CBC. I hope he will confirm what the CBC liaison officer in the House of Commons told me this evening. I am told that the fifth game can be shown live, if that game can be scheduled for the afternoon.

If the WHA cannot schedule that game for the afternoon, the CBC will tape the game and show it after the news on Sunday night. The CBC has also informed me that the sixth game can be taped and shown on Tuesday night, May 24, after the late night news. That tapes game will also be shown in Quebec.

The CBC has presented the WHA with an alternative proposal. The CBC told the WHA that if Tuesday's game could be moved to Thursday, the CBC would be able to cover that game live, and broadcast it live in Manitoba and Quebec, and I presume right across Canada. The CBC also says that, if a seventh game is necessary, if it is played on the afternoon of Saturday, May 28, it could be televised live on the English and French networks.

Apparently we have made progress since this afternoon as a result of previous representations in the House, letters, telephone calls and so on. I hope the minister will confirm what I have just placed on record with regard to the CBC's providing coverage of the WHA finals.

Hon. John Roberts (Secretary of State): Mr. Speaker, I listened with considerable interest to the remarks of the hon. member who reminds me of a barnyard cock who firmly believes the sun rises every day because he crows.

The hon. member raised this question today in the House, and he also raised it in committee this afternoon. But the matter was raised by others long before the hon. member showed any interest in it. It was raised by the hon. member for Montmorency (Mr. Duclos), and by the Minister of State for Urban Affairs (Mr. Ouellet). The fact is that such interventions in relation to this question did not begin this afternoon. They began last week. I myself called the parliamentary liaison officer to the CBC on Friday, and there have been continuing contacts between my office and the CBC with respect to this issue for several days. The results which the hon. member has proudly proclaimed as coming from his interventions are actually the results of interventions made by members on this side of the House long before he showed any interest in the matter.

The point I would like to make is that in terms of the intervention of ministers in relation to these matters it is not the Secretary of State who has the power to intervene with the CBC or to direct it to do this or that in terms of its internal management, its day-to-day decisions or its programming. The

Secretary of State is a link between hon. members of this House and the CBC, and as such I do bring to the attention of the CBC the complaints which are presented to me by hon. members of this House and the concerns which they express. That is what I have done in this case, and I am very happy to be able to indicate to the House that the interventions which were made by the hon. member for Montmorency (Mr. Duclos) and my colleague, the Minister of State for Urban Affairs (Mr. Ouellet), have been successful.

The Acting Speaker (Mr. Ethier): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.07 p.m.

HOUSE OF COMMONS

Friday, May 20, 1977

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

AIRPORTS

COMMITTEE STUDY OF OPERATIONS OF MIRABEL AND PROPOSED FACILITIES OF PICKERING—MOTION UNDER S.O. 43

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I rise under Standing Order 43 on a matter of urgent and pressing necessity. With the Montreal International Airport at Mirabel losing over $56 million per year and with airports such as Logan at Boston actively advertising in Canadian journals their convenient service in contrast to Mirabel, and in view of the fact that in the Toronto area the government has tied up 18,000 acres of prime farm land at Pickering in anticipation of constructing a further white elephant while aircraft movements at Malton have increased only 2 per cent in the last five years, I move, seconded by the hon. member for High Park-Humber Valley (Mr. Jelinek):

That the government make a suitable reference to the Standing Committee on Transport and Communications to investigate and make recommendations on the operation of Mirabel airport at Montreal and the proposed Pickering airport at Toronto.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

IMMIGRATION

SUGGESTION MR. DENEGRI BE PERMITTED TO REMAIN IN CANADA—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise under the provisions of the same order. In view of the fact that Mr. Pedro Denegri has exhausted all avenues of appeal against deportation to Chile, and in view of the evidence that Mr. Denegri has been tortured in Chile previously by the military junta and could face execution if he is returned to that country because of his involvement with the previous Chilean regime, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House directs the Minister of Manpower and Immigration to permit Mr. Denegri to remain in Canada on humanitarian grounds.

Mr. Speaker: Presentation of such a motion pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CRIMINAL CODE

ALLEGED VIOLATION OF ABORTION PROVISION BY CERTAIN ADVERTISEMENTS—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In light of the advertisement appearing in the Ottawa *Journal* of May 9, 1977 which reads in part as follows: "Legal abortions on demand. Near Ottawa . . . same day . . . on demand (same day by certified gynecologists)", and in recognition that this is clearly in violation of section 251 of the Criminal Code, I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That this House direct the Minister of Justice to contact immediately all provincial Attorneys General in order to co-ordinate legal action against such flagrant violations and misrepresentations of the Criminal Code.

Mr. Speaker: Presentation of such a motion pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

ENVIRONMENTAL AFFAIRS

SUGGESTED STUDY OF IMPACT ON OTTAWA RIVER OF ADDITIONAL DISCHARGES OF RAW SEWAGE—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In light of reports that the move of 15,000 civil servants to the city of Hull will generate 30,000 more flushes per day of raw sewage into the Ottawa River, and since it is reported that Hull does not have secondary sewage treatment plants, I move, seconded by the hon. member for Ottawa-Carleton (Mrs. Pigott):

MAGI

That this House instruct the Minister of the Environment to determine whether or not Hull has the proper sewage treatment facilities and if not to order a study to determine the environmental impact on the Ottawa River of 30,000 more flushes per day of raw sewage.

Mr. Speaker: Presentation of such a motion can be done only with the unanimous consent of the House under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LABOUR CONDITIONS

STUDY OF EFFECT ON UNEMPLOYED OF ALLEGEDLY UNFAIR UNION WORK-SHARING PRACTICES—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity dealing with the unfair practice within the present work-sharing programs of certain unions. Contrary to the statement of the Minister of Labour regarding this work-sharing program, it has come to my attention that a great number of unions, including the UAW, are indeed making it obligatory for their membership to work beyond the number of prescribed hours in a working week, thereby curtailing considerably potential work opportunities for tens of thousands of unemployed, many of whom already have had extensive experience in their respective fields. Therefore, for the sake of an equitable and fair work-sharing program, I move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That this House instruct the Minister of Labour to acquaint himself forthwith with this unfair practice and take any necessary action in order to rectify the work-sharing problem now being faced by a great number of unemployed.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House for presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

METROPOLITAN AREA GROWTH INVESTMENTS

REQUEST FOR STUDY OF RQLE OF NOVA SCOTIA IN ORGANIZATION—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of the unsatisfactory and even ludicrous efforts put forth by Metropolitan Area Growth Investments, that hybrid Crown corporation founded five years ago and funded by the federal government and the province of Nova Scotia with $20 million of taxpayers' money, I move, seconded by the hon. member for York-Simcoe (Mr. Stevens):

That the Minister of Regional Economic Expansion take whatever steps necessary to investigate thoroughly and report back to the House of Commons before June 30 on the role of the junior partner in this arrangement, the government of Nova Scotia, with respect to the undue delay occasioned by the insistence of Premier Regan on using appointments to the agency as a pork barrel, and the incompetence demonstrated to date by Mr. Scott MacNutt and other executives in, among other things, purchasing for several million dollars a second-hand cruise ship registered offshore to promote the best interests of Nova Scotia.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HEALTH

REQUEST FOR STATEMENT BY MINISTER ON POSSIBILITY OF SWINE FLU VACCINATION PROGRAM—MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the reported probable swine flu death two days ago in South Carolina, and in view of the fact there is plenty of vaccine left over from last year, I move, seconded by the hon. member for Brandon-Souris (Mr. Dinsdale):

That the Minister of National Health and Welfare state on motions whether it is his intention to have another national swine flu vaccination program this year.

Mr. Speaker: For the presentation of such a motion for debate, Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

SALE OF CANDU REACTOR TO ARGENTINA—REQUEST FOR REPORT ON ALLEGED PAY-OFFS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, again my question is for the Acting Prime Minister. He will remember yesterday I brought up the matter of the media revelations respecting one Jose Ben Gelbard, an ex-minister in the government of Argentina, who is alleged to have been the prime recipient of Canadian taxpayer's money in respect of an AECL Argentine CANDU reactor pay-off.

Almost unbelievably, and I say that most advisedly, the Acting Prime Minister and his cabinet colleagues who were in the House indicated that they knew nothing of that report yesterday. He indicated as well that he would take up the matter immediately and I presume call for immediate reports from his colleague, the Minister of Energy, Mines and Resources, the Department of External Affairs and the Department of the Solicitor General in regard to the RCMP investigation into this matter. That is what the Acting Prime Minister undertook yesterday in the House. I ask him to fulfil his commitment now. What has been done, what does he know about it, and can he verify these reports?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, in reply to the hon. gentleman, may I say I have asked for further information on the question. The Department of External Affairs has put into place an investigation in an effort to verify these allegations. On the surface, there appear to be considerable discrepancies in the reports, but I am not in a position to go into any detail. With respect to the Department of the Solicitor General, I understand that the RCM Police are still investigating these matters. I have no further comment to make. The Minister of Energy, Mines and Resources is in the chamber and he may wish to add to or subtract from that answer.

Mr. Lawrence: Mr. Speaker, my supplementary has to be to the Acting Prime Minister again in view of the obvious apathy that his ministerial colleague is showing in not rising in his place in this House. Obviously, the government believes or hopes that if there is no further reference to this matter, it will quietly disappear from the scene. I can assure them it is not going to disappear from the scene. Twenty-four hours ago the minister made a commitment to this House that he would indicate what he and the government are doing about this matter and to verify or comment further on these reports. That report has been available to the minister and the government for at least four days. The *Financial Post* is published on Monday or Tuesday of each week. It has been available here in Ottawa. It has been on the wire services. The continued evasion of the government in this matter is something that is abhorrent to us all.

Mr. Speaker: Order, please.

Mr. Lawrence: My further question to the minister is simply this. Is he going to make any further comment other than the piddling remarks he has made on this matter today in the House?

Mr. MacEachen: No, Mr. Speaker, not in reply to the rather intemperate outburst of the hon. member.

Some hon. Members: Hear, hear!

ENERGY

SALE OF CANDU REACTOR TO KOREA—ALLEGEDLY MISLEADING STATEMENTS ON SERVICES PERFORMED BY MR. EISENBERG

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. In view of the seriousness of the possible misuse of millions of dollars of taxpayers' money related to sales of CANDU reactors and with regard to the Korean situation, is the minister now sufficiently well briefed to acknowledge that he has misled members of this House on different occasions by saying that Korean officials who disputed the statements that Mr. Eisenberg and his company did not appear to have performed any tangible services as agents were not, to use his words, there at the time. Now that he has had some time to think it over, does he wish to change his answer?

An hon. Member: Come, on, tell him!

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, we apparently have somebody else who is prepared to answer the question.

Some hon. Members: Oh, oh!

Mr. MacKay: Mr. Speaker, this is an important question. In view of reports from responsible people in the Korean Atomic Research Agency and the Korean Electric Company that there does not appear to be any tangible evidence that Mr. Eisenberg could justify the millions of dollars received, not having hired one Korean national or done anything to justify the moneys which apparently have been transferred to him, will the minister stop evading this important matter, pick up the telephone and call the liaison office of the Korean Electric Company at 282-9680 in Montreal so that he can, at least, satisfy himself how little he knows of what he has been saying in the House?

Some hon. Members: Hear, hear!

Mr. Gillespie: Mr. Speaker, I think it might be worth making just one comment. There seems to be an effort on the part of members opposite to try to make a major political issue out of the investigation.

Some hon. Members: Oh, oh!

Mr. Gillespie: I suggest to them they would serve the people of Canada better if they were to look at the evidence and to deal with the people who are in a position to give detailed answers, the people who are appearing before the Public Accounts committee; that is what the Public Accounts committee is for. Second, it seems strange that a former attorney general of the province of Ontario should suggest to us, at a time when there is an RCMP investigation going on, that we should in some way or another interfere with or intervene in that investigation. He knows perfectly well that the investigation is under way, and until the RCMP has something to report we have nothing to report either.

● (1120)

Mr. MacKay: Mr. Speaker, the minister should note that so far this House has received nothing more than the third-hand information of a former chairman of the Korean Electric Company upon which all these high sounding statements are based, and without interfering or doing anything to impede the RCMP investigation will the minister not take the most rudimentary interest in what is going on and tell this House some of the facts which we are entitled to know?

Mr. Speaker: The hon. member for New Westminster.

* * *

ENVIRONMENTAL AFFAIRS

DRILLING IN BEAUFORT SEA—GOVERNMENT'S KNOWLEDGE OF FACTORS LEADING TO UNITED STATES DECISION TO POSTPONE DRILLING

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the government House leader in the absence of the Minister of the Environment. The United States announced this week that it is going to delay the sale of any leases in the Beaufort Sea until 1979. Would the minister advise the House whether he and the cabinet are aware of the factors which led to the delay in terms of U.S. leases in the Beaufort Sea? If he is not aware of what they were, will the cabinet be aware of them before the decision to redrill under our own program is made? Will the House be made aware of the factors which led the United States to delay its decision on Beaufort Sea leases?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I think the hon. member is making a reasonable request, and I will attempt to see that it is fulfilled.

DRILLING IN BEAUFORT SEA—NEGOTIATIONS WITH UNITED STATES FOR COMPENSATION IN EVENT OF OIL SPILL

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, the United States has expressed concern to the Canadian government about the potential for damage in its own Beaufort Sea area as a result of prospective drilling by Canada. Can the minister now bring the House up to date as to the state of the negotiations or what agreements there are with the United States in terms of compensation to the United States in the event of spills in the Beaufort Sea as a result of our drilling program?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I know that prior to the first authorization for drilling there was considerable consultation with the United States in an effort to deal with whatever concerns that government had on environmental questions. These were very much in our minds and were taken into account in the circumstances which surrounded the drilling. With respect to the question of compensation, I would have to seek some information on that.

[Mr. Gillespie.]

DRILLING IN BEAUFORT SEA—PROPOSED CONFERENCE OF CIRCUMPOLAR NATIONS ON ENVIRONMENTAL EFFECTS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, one of the recommendations which was made in the Berger report dealing with the Beaufort drilling program was that Canada call together the circumpolar nations in an international conference. Before we destroy the Arctic we should at least talk to some people about how we can go about cleaning it up. I am wondering if the minister can advise the House whether that particular recommendation in the Berger report is now before cabinet and when we will receive a decision from the government in terms of that specific recommendation, that is, the calling of a circumpolar conference of all the polar nations around the Arctic so that we can make sure we do not do anything to the climate of this planet with oil spills in that sensitive area.

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I have already stated on behalf of the government that we have taken and are taking the Berger report very seriously indeed. All aspects of it are under consideration at the present time, but in general we will not be making decisions on the recommendations of the Berger report until further information is available to us, including the report of the National Energy Board, the report of Dean Lysyk, which is expected on August 1, and the findings of the environmental panel. That is the general situation. I have had no indication that the Minister of the Environment has decided to call, in advance of those general decisions, a conference of the circumpolar nations, although it is obviously a matter of interest to the government and may very well be a proposal which can be acted upon.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR STATEMENT OF COMPENSATORY PAYMENTS FOR NON-USE OF FORCE IN QUEBEC—GOVERNMENT POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Solicitor General.

During the first mandate of the Bourassa government in Quebec, the then Minister of Justice, Mr. Choquette, made representations to the federal government with a view to obtaining compensatory payments from the central government in lieu of the services given by the RCMP in the other provinces. Now, with the advent of the new government in Quebec and in view of the news that Quebec intends to have its own service, to be known as the Sûreté Nationale can the minister tell the House whether he has had talks with the Quebec Minister of Justice with regard to that RCMP file, and also tell the House what progress has been made in that connection?

Hon. Francis Fox (Solicitor General): Mr. Speaker, since the dates mentioned by the hon. member and in the last few months I have had occasion to answer that question as put by

some of the colleagues of the hon. member, and I must say there have been no changes in the federal government policy since then. In answer to the specific question as to whether I have had talks with the Minister of Justice on the matter, the reply is no, Mr. Speaker. I should like to point out to the hon. member that a federal-provincial conference of justice ministers and ministers responsible for the penal sector will be held in Ottawa starting on June 27 next. Of course, at that time I intend to meet the Quebec Minister of Justice and discuss a whole series of problems.

Mr. Lambert (Bellechasse): Mr. Speaker, on a supplementary.

As, according to what he says, the minister intends to bring up the matter again at that conference, can he tell the House whether he will have specific proposals to put to the Quebec government in order to solve that matter so that the two parties, Quebec and Ottawa, can be relieved of that burden?

Mr. Fox: Mr. Speaker, I decidedly must have expressed myself poorly in my answer to the hon. member. A federal-provincial conference will be held starting on June 27 next. The matter he mentions is not on the agenda. It has already been taken up at the provincial and federal solicitors general level. No agreement was reached and, later on, the matter was entrusted to the first ministers at their conference. Moreover, the position of the federal government on the matter has been expressed definitively by the Prime Minister of Canada.

* * *

[*English*]

ENERGY

EFFECT OF PROGRAM IN PRINCE EDWARD ISLAND TO REDUCE COST OF ELECTRICITY

Mr. David MacDonald (Egmont): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The minister may recall that when he appeared before the Standing Committee on National Resources and Public Works on March 8 he indicated that he has been trying to cushion the consumers of Prince Edward Island against high energy costs. I think he is well aware of the very great cost differential between Prince Edward Island and say, his hometown of Toronto—something like 300 per cent. Can the minister indicate the extent to which the program introduced around Christmas last year has had any impact in terms of reducing the cost, particularly on those most directly affected on the production side such as in agriculture, especially dairying, where there has been a high demand for electricity? As the minister well knows there is no direct relationship between the electricity costs factor and the insulation program that he announced earlier.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, it is too early to give the hon. member a quantitative response to his question but I can say that inquiries I made as recently as a week ago indicated that the program was an outstanding success.

Mr. MacDonald (Egmont): A supplementary question. I hope the minister will be able to back up his self-congratulatory adjective of "outstanding" with some real statistics, particularly in the area of the cost disadvantage of our major industries. Here again I am thinking of agriculture where there is a very real burden in terms of high electrical costs. I wonder if the minister has conferred with the Minister of Regional Economic Expansion to learn in particular of any firms that have been unable to locate in Prince Edward Island specifically as a result of prohibitive electrical costs in that province?

Mr. Gillespie: Mr. Speaker, I would be very pleased to take the hon. member's suggestion and talk to my colleague about the inhibiting effects of high electrical cost on industry in Prince Edward Island. Going back to my earlier answer, when I said it was an outstanding success I think any program which has a response of better than 25 per cent of households within six weeks of its initiation has to be regarded as a very successful program.

● (1130)

RELATIONSHIP BETWEEN LOW PERCENTAGE OF HOMES IN PRINCE EDWARD ISLAND USING ELECTRICAL HEATING AND INSULATION PROGRAM

Mr. David MacDonald (Egmont): A final supplementary question, Mr. Speaker. I am afraid that the minister is engaging in his old apples and oranges exercise. Could he clarify for the House soon, if he cannot do it today, the actual impact of those insulation programs on use of electricity inasmuch as few, perhaps less than 5 per cent, of all homes on Prince Edward Island use electricity for heating purposes? Can he indicate how those two figures can relate to one another? The relationship certainly is not apparent to those who are directly affected by the highest electrical costs in the country, in Prince Edward Island.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I am sure the hon. member is aware that the government looked at the energy costs of the household and at the best way of cushioning those additional energy costs which are associated with the high cost of electrical generation, and came down in favour of an insulation program, a program which I understand the hon. member supports.

STUDY OF INTEGRATION OF ELECTRICAL GENERATING SYSTEMS FOR MARITIME PROVINCES—REQUEST FOR REPORT

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I direct a supplementary question to the Minister of Energy, Mines and Resources. My question concerns what he proposed some time ago, namely, that there should be a total revamping of the electrical generation system of the Maritime provinces and particularly that there should be integration and a resorting to large units. How is the minister coming along with this study?

Where is it? When are we going to get answers from the minister as to what is going on, or are we to talk another year about more studies?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think a great deal of progress has been made. As the hon. member knows, the three Maritime provinces joined with the federal government in announcing the principles underlying the Maritime energy corporation. The work being done now is with respect to refining the nature of the role of such a corporation.

Mr. Stanfield: A supplementary question, Mr. Speaker. Work on refining the role of such a corporation will not do much to reduce electric power rates in the Maritime provinces. I ask the minister, when are we to see something tangible, something concrete? When will we see some decisions taken, decisions along the lines the minister suggested should be taken? Can the minister stop talking in general terms about all this progress he sees being made? If it is not appropriate to make a statement during the question period, could he at some other time make a statement on a matter of such vital importance to the economy of the Maritime region? Where are we at? Where is the minister at? Where are the provinces at—quite apart from all this big talk about progress?

Mr. Gillespie: Mr. Speaker, we are at present trying to establish a Maritime energy corporation which will bring significant future benefits to the people of the Maritimes precisely because those who were formerly in positions of power in the Maritimes, provincial premiers in particular, were not long-sighted enough to see the problem which would confront us.

Mr. Alexander: Oh, come on!

Mr. Stanfield: A final supplementary question, Mr. Speaker. The minister is showing how little he knows about these problems.

An hon. Member: Right on.

Mr. Stanfield: The integration took place as recommended by the federal government and agreed to by the provinces. Will the minister tell me, frankly, whether agreement has been reached about a further stage of integration, or will the minister try to keep taking us down this long garden path he has been on for the last year?

Mr. Gillespie: Mr. Speaker, if those who were in the position some years ago to form such a corporation thought it was such a good idea, why was the corporation not formed? Clearly it has taken a good deal of time to gain the support of the three Maritime premiers for the formation of such a corporation, and to convince them that such a corporation is important for the future of their area. We have tried to do this in the last year. Clearly, when one deals with three Maritime premiers, each of whom has a slightly different view of what is important, it takes time to work out the details. We have done more in the last six months with respect to this question than was done, I think, during the last 15 years.

FUNDY TIDAL POWER PROJECT—ALLEGATION FEDERAL GOVERNMENT DELAYING PROGRESS—MINISTER'S POSITION

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, my supplementary question to the Minister of Energy, Mines and Resources relates to the energy resources of the Maritime area and the strong attack made in the Nova Scotia Legislature on Monday on the minister and the assistant deputy minister who is the chairman of the Fundy Tidal Power Review Committee. The premier accused the assistant deputy minister of delaying significantly the progress which he desired in that area. What is the minister's reaction to that? I ask this in view of the comments he has made about the degree of co-operation being developed with the three Maritime premiers.

Mr. Muir: The minister has not been talking to Regan.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member knows that I do not speak for the Premier of Nova Scotia. The Premier of Nova Scotia of course has his own views which are peculiar to himself. I do not happen to agree with him one little bit on that particular view.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

DATE OF ANNOUNCEMENT OF PURCHASE OF STATION CJBR-TV

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is directed to the Secretary of State.

Since approval and authorization have been granted by the CRTC to the CBC to buy CJBR-TV stations in Rimouski and Edmunston, New Brunswick, and the CRTC decision has been made public three weeks ago, would the minister tell us why the government has not yet approved this decision and when the citizens of the republic of Madawaska will have the first French quality service in television broadcasting throughout the territory, which also allow for the simultaneous inauguration of the intraprovincialization of the French service in New Brunswick?

[*English*]

Hon. John Roberts (Secretary of State): Mr. Speaker, as the hon. member knows, because he arranged the meeting, I have met with constituents of his area and cannot help being aware of the considerable desire of people in his area to have these services confirmed and extended. I am sympathetic to that view and would like to do everything I can to make it possible. This whole complex question is under study and I hope to be able to give some indication soon as to what the result will be. I share the hon. member's concern but cannot give him a specific assurance at this time.

FINANCE

DATE WHEN BALANCED BUDGET EXPECTED

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. As President Carter's economic adviser, Mr. Charles Schultze, has set for the United States a target of a budgetary surplus between $25 million and $30 million to be reached by 1981, the attainment of which target Mr. Schultze states could lead to reduced taxes, would the Minister of Finance say when he expects this country to reach the position of a balanced budget, bearing in mind that our current budgetary deficit is some $7.2 billion?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we have debated in this House and in committee the wisdom of setting long-term goals of that kind since, inevitably, events both external to this country and internal can make them difficult to reach. I would have to say that I would not anticipate being able to bring the budget on a national accounts basis into balance for the next several years. I certainly would not attempt to make any prediction that by a specific year this would come about. It seems to me that the uncertainties involved in the international economy are such that I admire Mr. Schultze's courage in that regard, but perhaps question his judgment in being so precise.

● (1140)

DATE WHEN THERE WILL BE A REDUCTION IN LEVEL OF UNEMPLOYMENT

Mr. Sinclair Stevens (York-Simcoe): Again to the Minister of Finance. I hope that in reply to this question he will be more precise. As Mr. Schultze anticipates that employment in the United States will fall to 4¾ per cent by 1981 from its present level of 7 per cent in that country, would the minister tell us whether he foresees a similar fall in our own unemployment level, presently 8.3 per cent?

Hon. Donald S. Macdonald (Minister of Finance): I anticipate there would be a gradual reduction over the next several years, but obviously the principles governing my previous answer would apply to this question as well.

OBJECTIVE WITH REGARD TO JOB CREATION

Mr. Sinclair Stevens (York-Simcoe): The United States administration has accepted the challenge which, I take it, was thrown out at the London economic conference, and has established job creation as being the number one priority, indicating it would try to create ten million jobs, mainly in the private sector, by 1981. Would the minister indicate the objective of the Canadian government with respect to job creation? Is there a target with respect to the number of jobs to be created by 1981?

Hon. Donald S. Macdonald (Minister of Finance): The hon. member would do well to read both my previous answers.

HEALTH

PROSTHETIC SERVICES FOR VETERANS—GOVERNMENT ACTION TO IMPROVE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the fact that veteran amputees have expressed the opinion that the quality of prosthetic services in the Department of National Health and Welfare has fallen behind that of private industry in the field of technical advances and new hardware, and since the veteran sometimes finds that the prosthetic device most suitable to his needs is unavailable to him, would the hon. gentleman tell us what assurances he can give to veterans of Canada that improvements will be made?

Hon. Marc Lalonde (Minister of National Health and Welfare): For some time now, the Minister of Veterans Affairs and myself have not been very satisfied with the prosthetic services provided by my department in this regard. Discussions have been held with officers of the War Amputees of Canada on this subject. The result of these discussions was a recommendation to cabinet which has been approved whereby the federal government will limit its role mainly to one of co-ordination and consultation; the operational responsibilities will be transferred to other agencies, private or public. Consultations with the provincial authorities will continue regarding health services and workmen's compensation boards. I would be happy to ask my officials to give further details on this subject to the hon. member at his convenience.

* * *

URBAN AFFAIRS

AUTHORITY OF MINISTER OF JUSTICE TO ANNOUNCE PROJECTS FOR VANCOUVER NOT COVERED BY ESTIMATES

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is to the Minister of Justice. I should like to ask him under what authority he has recently announced the expenditure of $6 million on public works projects for the City of Vancouver and by what authority he has taken it upon himself to allow the hon. member for Vancouver-Kingsway and the hon. member for Vancouver East to make further announcements of public works projects in respect of which we cannot seem to be able to find anything within the estimates of any department now before the various estimates committees.

Hon. Ron Basford (Minister of Justice): The announcements to which the hon. member has referred concerning projects which will be of immense benefit to the citizens of Vancouver—

An hon. Member: And to you!

Mr. Basford: I am interested to hear the comments of hon. members opposite who do not seem to like to hear about improvement in Vancouver. Anyway, they were announced on

behalf of the minister responsible, the Minister of State for Urban Affairs, on the authority of the Treasury Board.

Mr. Oberle: In the light of the fact that the projects commissioned by the minister from Vancouver have been subjected to the scrutiny of the ratepayers of the city of Vancouver recently and have not been approved by them, I ask the minister by what authority other cities can apply to the Treasury Board for projects such as fish markets and swimming pools? Does the minister not agree with me that this is a smelly situation and the worst kind of political patronage ever perpetrated on this country?

Mr. Basford: I answered the first question because it was directed to me and had to do with the authority on which the announcements were made. I answered on behalf of my colleague. I think the rest of the question properly relates to the administrative responsibility of the Minister of State for Urban Affairs, and he should answer it. Obviously, neither I nor the government can accept the premise of the hon. member's question.

* * *

TRANSPORT

REQUEST FOR STATISTICAL DATA INDICATING RISK OF OIL SPILLS AS RESULT OF INCREASED TANKER TRAFFIC

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is addressed to the Minister of Transport to whom I put certain questions last Wednesday inquiring what information, statistical and otherwise, he has available to him concerning the risk of oil spills, having regard to increased tanker traffic both to existing ports and to proposed new ports on both coasts. The minister replied that he was that day tabling an emergency plan and a report. Mr. Speaker, if the hon. gentleman has no statistical information indicating the risk factors from spills resulting from increased oil tanker traffic to existing ports and to proposed ports such as Kitimat, how can he judge the value of those reports?

Hon. Otto E. Lang (Minister of Transport): The hon. member persists in relating the answer to the second part of this question to the first part. I was saying that the information we had was, by and large, of an internal working nature. The hon. member asked whether it was suitable for tabling. I am not at all sure that it is. We are developing positions in anticipation of an international conference on the conditions which might be imposed across the world in relation to tankers. An analysis of risks and costs would obviously be involved in that exercise. But I do not for the moment have this information in a form which can be tabled.

Mr. Jarvis: About two weeks ago the Minister of the Environment made available to us a report which his environmental officials said was the best information available on oil blow-out risks, even though this was a complex and technical subject. Is the minister telling us now that the internal documents to which he referred are so complicated and so far beyond the possibility of comprehension by the public and by members of this House that he is not making them available for that reason?

Mr. Lang: Not at all. As soon as the material can be made available in a form which represents the conclusion of work rather than the middle of work, it will be made available.

* * *

INCOME TAX

REQUEST FOR TABLING OF AGREEMENT WITH QUEBEC ON REDUCTION OF DEDUCTIONS FOR RESIDENTS OF ONTARIO WORKING IN QUEBEC

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, I have a question for the Minister of National Revenue. It concerns her recent announcement of an agreement between federal and Quebec authorities to reduce tax deductions from federal employees residing in Ontario but working in Quebec. What form did this agreement take, and will the minister table this document?

[*Translation*]

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, as promised the subject matter of this agreement was announced to the House and to the general public when I obtained it, given the urgency of the situation and the well-being of all people involved. I do not think it would be necessary to table also internal working papers since the agreement was concluded as an exchange of notes between our respective revenue deputy ministers.

* * *

[*English*]

GRAIN

DISCUSSIONS WITH UNITED STATES ON INTERNATIONAL WHEAT AGREEMENT—POSSIBILITY OF AGREEMENT ON PRICE

Mr. Jack Murta (Lisgar): Mr. Speaker, I would direct my question to the minister responsible for the Wheat Board since the Minister of Agriculture is not here today. It concerns an international wheat agreement which the U.S. Secretary of Agriculture was discussing with the minister in Ottawa. I should like to ask the hon. gentleman whether the two governments have reached any agreement or conclusion with regard to the minimum price they would like to see for world wheat stocks. If they have not come to a conclusion as far as price is concerned, what is holding them back and when will further negotiations and discussions take place?

Hon. Otto E. Lang (Minister of Transport): Questions about price are not being discussed now but they will be discussed at meetings of the International Wheat Council to commence on June 27 at which importers as well as exporters will be represented. Discussions among the exporters have been mainly related to the techniques which could be used to ensure that any agreement achieved internationally could be

maintained and supported in a way which was not possible under the old agreement.

INTERNATIONAL WHEAT AGREEMENT—METHOD OF AVOIDING DEPRESSING EFFECT ON PRICES OF STOCKPILING

Mr. Jack Murta (Lisgar): One of the most important aspects of this whole question from the point of view of wheat producers is the way in which the various governments administer a stockpile so that supplies will not become a burden and have a depressing effect on world wheat prices. Can the minister enlighten the House as to how the various countries, and specifically the Canadian Wheat Board, view this situation, and what do they hope to use in place of a large stockpile, which would certainly have a depressing effect on western grain prices?

● (1150)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, it is my position that the importers must recognize the value to them of security of supply and also must not want an agreement which leads to the exporters paying for that security by lower prices because of that very reserve. This will argue either for payments by importers of part of the carrying costs of the reserve and devices to ensure that it does not affect the market when the market is otherwise relatively weak, or it will lead to such price structures which take into account the carrying of the reserve by the exporting nations. Those are the two basic alternatives. If it is the latter, that obviously also complements the fact that we will likely have to have an understanding about the relative reserves to be carried by the various exporting countries in order that we know how that affects the market share to which each is entitled.

* * *

COMMUNICATIONS

EFFECT OF DECISION BY BELL CANADA NOT TO GIVE MESSAGES TO RETURN COLLECT CALLS—GOVERNMENT ACTION

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is addressed to the Minister of Communications. In view of the recent decision by Bell Canada to forbid its operators to leave messages to return collect calls, and in view of the need for constituents to have easy access to their MP's, have any alternate arrangements been considered to assure these crucial telephone links between our Ottawa offices and our constituents?

[*Translation*]

Particularly, does the government intend to make an agreement with Bell Canada to allow calls to members of parliament or to make zenith calls from our constituencies possible?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I was informed of that problem and I have already called a meeting between Bell Canada and the government telecommunications agency and the other transCanadian telephone systems. The meeting will be held this afternoon and I hope we will find arrangements which will meet the needs of members of parliament.

* * *

[*English*]

LABOUR CONDITIONS

PROPOSAL TO ESTABLISH INDUSTRIAL SAFETY AND HEALTH CENTRE—REQUEST FOR PROGRESS REPORT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Labour and it is based on the promise in the Speech from the Throne last October that an industrial safety and health centre would be established to assist companies and workers in their efforts to identify and remove health and occupational hazards. In light of a study released two or three days ago which shows that nickel workers in Port Colborne, Ontario, have abnormally high rates of nose and lung cancer, which underlines the need for this centre which was promised last October, can the minister say what progress his department is making in implementing his promise?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. We have had many discussions with the provinces since that announcement last October. Generally the provinces welcome the initiative and we have worked out arrangements with them. Many of the provinces are going to utilize the services of the institute.

So far as the business and labour communities are concerned, we have had several discussions with them also. Labour would appear to be now ready, as a result of those discussions, to participate, along with business and government in some type of tripartite arrangement, in the general supervision of this institute, the feeling being that it would not be workable or effective unless all these elements—business, labour and government—got together and in a sense the institute operated under that aegis. In order to achieve several of the things they want to do the co-operation and involvement of these essential elements would be required.

* * *

PUBLIC SERVICE

EFFECT OF MOVEMENT OF EMPLOYEES TO HULL ON SMALL SHOP OWNERS IN OTTAWA—REQUEST FOR REPORT

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, may I direct my question to the Minister of Public Works. In his statement on May 17 with respect to the movement of departments of the Public Service to Hull he expressed some sentiments concerning small shop and restaurant owners, indicating that negotiations were underway with their association. I wonder whether the minister could tell us what negotiations are underway, what proposals are being made to the business and property owners association in the area, and what studies, if any, were carried out, prior to making the announcement,

which he could table in the House as to the effect of this massive move on the small owners of shops and restaurants in the area?

Hon. Judd Buchanan (Minister of Public Works): Mr. Speaker, basically what I have indicated to the Building Owners and Managers Association is that I should like to try to arrange, after the leases have expired—that is what we are talking about; we are not terminating leases—to keep partial occupancy in the buildings so there continues to exist a clientele for restaurants, small shops, and so on. That is our desire.

TRANSPORTATION ARRANGEMENTS FOLLOWING MOVEMENT OF EMPLOYEES TO HULL

Mr. Walter Baker (Grenville-Carleton): A supplementary question, Mr. Speaker. That is an interesting comment on the restraint program. In the course of his statement the minister mentioned arrangements in regard to interchange of transportation in an area which is already chaotic and inadequately serviced in terms of bridges, roads and other things. What specific arrangements is the minister prepared to make in order to ensure that there is reasonable passage of both private vehicles and public transportation vehicles to and from the city of Hull? Is it the position of the minister that there is no finality in this respect? Are there to be additional bridges built and, if so, when? Are there to be additional transportation facilities provided? If so, when, at what cost and by whom? Can the minister also indicate whether there has been any advance planning with respect to this matter, apart from political input?

Hon. Judd Buchanan (Minister of Public Works): Mr. Speaker, that is a question I have discussed with my colleague the Minister of State for Urban Affairs; obviously it relates to his jurisdiction and to his responsibility for the NCC.

* * *

[*Translation*]

MANPOWER

CANADA AND YOUNG CANADA WORKS PROGRAMS—REASON CERTAIN PROJECTS ARE REFUSED OR DELAYED

Mr. C. A. Gauthier (Roberval): Mr. Speaker, my question is for the Minister of Manpower and Immigration and relates to promoters of Canada Works and Young Canada Works projects. All those whose projects are accepted receive confirmation, but for those whose projects are rejected, could the minister ask his officials to give the reason for the postponement or refusal of a project, or at least inform those people that their projects are rejected and to thank them for the efforts they put into submitting them?

[*English*]

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, the point the hon. member makes is a good one. It is a question of numbers and degree in regard to our resources. Since these are done on a constituency by constituency basis, we do make very definite efforts to publicize those projects which have in fact been accepted. Sometimes there is further negotiation with a member of parliament or with a project officer himself, and that causes some delay. With regard to the point that the hon. member makes about those projects which are not accepted, we are grateful and we hope the applicants will look at the programs which have been accepted in order to see how they might improve theirs so they are accepted in the second phase and can put to work the people they want. I think that is an excellent representation and I will certainly look at it.

* * *

IMMIGRATION

DEPORTATION ORDER AGAINST PEDRO DENEGRI—REQUEST FOR MINISTERIAL INTERVENTION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. How has the minister responded to the request for his intervention in the case of Pedro Denegri against deportation to Chile?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, in this particular case the first public representations I received were in my own riding from the Coalition for Change group of London. I subsequently met with them again in London, together with Amnesty International representatives. I then met with a reporter from the *Globe and Mail* who had some additional information which he thought was appropriate and made a specific plea that I meet with Mr. Denegri's lawyer. I met Mr. Denegri's lawyer yesterday. I might say his lawyer put forward an excellent brief. She has obviously done a tremendous amount of work on this. I would like some time to consider that brief, and I would expect to come up with some response next week.

● (1200)

* * *

HEALTH

ALLEGED EXTENSION OF CLINICS TO PROVIDE ABORTION ON DEMAND—MINISTER'S POSITION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Because of the large number of protests being received, has the Minister of National Health and Welfare reconsidered his position as a result of his announcement of March 4 in which he proposed the further extension of abortion clinics which would provide abortion on demand, or does he still intend to actively pursue his original course and perhaps qualify for the dubious honour of "murderer of the year"?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I will send the hon. member another

copy of my press release. It does not seem to me he knows how to read.

Mr. Speaker: Order, please. The hon. member for Selkirk.

* * *

CRIMINAL CODE

ALLEGED VIOLATION OF ABORTION PROVISION BY ADVERTISEMENT IN OTTAWA "JOURNAL" OF MAY 9, 1977—GOVERNMENT ACTION

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is for the Minister of Justice and has to do with an ad which appeared in the May 9, 1977 Ottawa *Journal,* a copy of which I have sent to the minister. It is advertising "Legal Abortions on Demand". I had my office check it out and it in no way involves a therapeutic abortion board. The abortions are done in Montreal at a cost of $250. There are no questions asked. It is done on the same day. It takes ten hours. You are delivered, the abortion is performed, and you are brought back home. That is clearly in violation of the Criminal Code. My question is: what is the Minister of Justice going to do about it?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I would like to point out that the hon. member has added to the ad and given it more publicity by referring to it today. It is unclear from the ad whether the abortions are proposed to be performed in Ontario or Quebec or in one of the states of the United States of America.

This matter was raised some time ago by the hon. member for Calgary North at which point I corresponded with provincial attorneys general about advertising abortions to be performed within their jurisdiction. If the hon. member's information is correct, that the abortions are in fact advertised as performed in the province of Quebec, the advertisement will be referred to the Quebec minister of justice.

Mr. MacDonald (Egmont): Mr. Speaker, a week ago today I asked the Acting Prime Minister, with respect to the ninth United Nations conference on sugar, whether the government was taking a position directly contrary to its earlier one on the tin commodity agreement. I also asked a question with respect to the composition of the delegation. It is of importance now because the conference will end shortly in Geneva.

Over the past week the minister has not provided this information either to myself or to the House. It is important for Canadians to have a full account of it, and I am sure the minister would agree with that. I wonder if he can indicate when that information will be available, particularly so that we can have it before the conference is concluded.

Mr. MacEachen (Acting Prime Minister): Mr. Speaker, I sincerely apologize to the hon. member for not making the information available. I will try to get it to him today.

Order Paper Questions

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the following questions will be answered today: 1,608, 1,692, 1,852, 1,928, 2,398, 2,400, 2,425 and 2,478.

[*Text*]

STUDY OF EFFECTS OF SECESSION OF QUEBEC

Question No. 1,608—**Mr. Howie:**

Is the government currently undertaking any studies with regard to the economic, cultural and political effects the secession of the Province of Quebec would have on the rest of Canada in general, and the Atlantic Provinces in particular and, if so, what are they and what are their terms of reference?

Right Hon. P. E. Trudeau (Prime Minister): No.

ASSISTANCE TO GROUPS IN QUEBEC TO PROMOTE FEDERALISM

Question No. 1,692—**Mr. Howie:**

Is the government giving any assistance to groups in Quebec whose main purpose is to promote federalism and, if so (a) what are their names (b) what type of assistance?

Right Hon. P. E. Trudeau (Prime Minister): No.

IMPORTED AGRICULTURAL CHEMICALS

Question No. 1,852—**Mr. Herbert:**

For each of the past ten years, what was the amount of imported argicultural chemicals as a percentage of total domestic consumption?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports the following:

NOTE: Due to the nature of the available data, the information requested has been presented in two parts—one on fertilizer chemicals and a second on agricultural pest control chemicals.

Table I

Year	Domestic Consumption of Fertilizer Materials and Mixed Fertilizers in Short Tons	Imports of Fertilizer Chemicals Materials and Mixed Fertilizers in Short Tons	Imports Expressed at a Percentage of Domestic Consumption (2 as a percentage of 1)
	1	2	
	(Short tons)		
1975	2,950,243	285,425	9.7
1974	2,875,518	380,747	13.2
1973	2,492,084	287,627	11.5
1972	2,173,892	321,403	14.8
1971	2,110,978	236,354	11.2
1970	1,867,522	140,147	7.5
1969	1,897,622	181,097	9.5
1968	2,292,123	250,725	10.9
1967	2,183,406	319,973	14.7
1966	1,917,864	309,624	16.1

Order Paper Questions

1. The fertilizer year is defined as ending June 30. Imports are presented on a consistent basis.

2. In order to capture the importation of chemicals intended for agricultural application only, Trade of Canada data could not be utilized for most chemicals. Rather, a separate import series on fertilizer chemicals is collected and published annually in Fertilizer Trade (catalogue number 46-207). Although some small importers may be missed, i.e., individual farmers, we do not judge the error factor to be significant. Data on muriate and sulphate of potash were, however, extracted from Trade of Canada.

3. The data presented represent short tons.

4. Imports of phosphate rock are excluded.

Table II

Year	Domestic Consumption of Pest Control Chemicals in Thousands of Dollars	Imports of Formulated Pest Control Chemicals in Thousands of Dollars	Imports Expressed Percentage Domestic Consumption (2 as a percentage of 1)
	1	2	
	($000's)		
1975	170,024	87,887	51.7
1974	108,572	65,501	60.3
1973	77,458	45,230	58.4
1972	53,065	30,772	58.0
1971	42,172	23,732	56.3
1970	40,455	17,345	42.9
1969	46,665	43,262	69.1
1968	54,392	28,793	52.9
1967	46,072	20,703	44.9
1966	40,656	15,352	37.8

1. Data are presented in thousands of dollars.

2. Domestic consumption data are based on a year end of September 30th.

3. Import data are based on calendar year.

4. Domestic consumption data may include a small amount of exports which were not possible to net out of figures.

5. Import data includes forestry sprays and home and garden chemicals which cannot be separately identified in the Trade of Canada data.

6. Data are presented for formulated pesticides, herbicides, fungicides only.

[Mr. Poulin.]

USE OF ANTI-SPALLING COMPOUNDS IN THE EXTERIOR CONCRETE SURFACES

Question No. 1,928—**Mr. Hnatyshyn:**

Is the government aware of reports that exterior concrete construction surfaces treated with anti-spalling compounds will last up to ten years longer and, in some cases, ten times longer than those surfaces not treated and, if so, is the government giving consideration to including the use of anti-spalling compounds as a protection in all construction contracts in Canada and especially those entered into by the Department of Public Works and, if not, for what reason?

Mr. Alexandre Cyr (Parliamentary Secretary to Minister of Public Works): The Department of Public Works is not aware of any reports by established research or testing organizations on exterior concrete construction surfaces treated with anti-spalling compounds. In normal environments good quality concrete, with scientifically designed ingredients and properly installed, will last indefinitely. It would, therefore, be a waste to treat all exterior concrete with alleged anti-spalling compounds in all construction contracts in Canada. In particularly corrosive environments special precautions are usually taken, but such situations are a small percentage of the overall.

SHRUBS OF EUPHORBIA STRAIN

Question No. 2,398—**Mr. Hnatyshyn:**

Is the government aware of reports that shrubs of the Euphorbia strain produce a hydrocarbon substance very much like gasoline and estimates are that the plants might be capable of producing between 10 and 50 barrels of oil per acre per year which is practically free of sulphur and other contaminants at an estimated cost of between $3 and $10 per barrel and, if so, what research is the government presently undertaking in this regard?

Hon. E. F. Whelan (Minister of Agriculture): Agriculture Canada is aware of the reports and is continually keeping watch on all possible renewable resources of oil. The department is not conducting any research into this program. Feasibility studies are being conducted in California and will be reviewed by the Department when they become available.

COFFEE SUBSTITUTES

Question No. 2,400—**Mr. Hnatyshyn:**

Is the government aware of reports that coffee substitutes can be produced from wheat, bran and soyabeans, which are readily available in Canada at approximately half the price of pure coffee and, if so, what steps is the government taking to assist research in this area?

Hon. E. F. Whelan (Minister of Agriculture): Yes, Agriculture Canada is aware of research and development on coffee substitutes. However, since the food industry is conducting research on a beverage resembling coffee, the department sees no need for research at this time.

STUDENT SUMMER EMPLOYMENT PROGRAMMES

Question No. 2,425—**Mr. Marshall:**

1. What additional staff was hired and what was the cost to operate the Student Summer Employment Programme (a) Fisheries and Marine Service (b)

Environmental Protection Service (c) Environmental Management Service under the Department of the Environment?

2. Are any other programmes available for students under the Department?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): 1.

Service	Students	Costs
(a) Fisheries and Marine	526	$1,580,886
(b) Environmental Protection	49	145,011
(c) Environmental Management	327	986,965

2. The Summer Job Corps (SJC) Program is also available for students. This is a new program implemented in 1977 and sponsored by the Department of Manpower and Immigration. DFE has been allocated $471,704 to create 213 jobs. The distribution is as follows:

Service	Students	Costs
(a) Fisheries and Marine	46	$ 113,223
(b) Environmental Protection	30	59,275
(c) Environmental Management	137	299,206

MR. JOE MULLALLY

Question No. 2,478—**Mr. Cossitt:**

1. Is Mr. Joe Mullally, former Special Assistant to the Honourable Member for St. Boniface, employed under contract to, or in any other way working with the government and, if so, what are the details of his work, position and monies received?

2. Has Mr. Mullally been in any of these categories since he left the Minister's office on March 15, 1977 up to the date the answer to this question is prepared and, if so, what are the complete details of work performed, job designation, salary, etc?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): 1. No.

2. No.

[*English*]

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I ask that the remaining questions be allowed to stand.

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT (No. 2)

The House resumed, from Tuesday, May 17, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-54, to amend the Excise Tax Act (No. 2), be read the second time and referred to committee of the whole.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, on May 17 the minister made his opening statement with regard to second reading of this bill and outlined in part those matters which are to be handled in the bill this afternoon. I would like to talk about the air travel tax to which there is now an extension so that it becomes all-encompassing. I suppose there is a case that can be made for the imposition of an air travel tax within certain limits in Canada. When the matter first came up, there was tremendous objection across the country to the formula that was proposed, which was on a percentage basis. The formula would have hit particularly people who lived long distances from central Canada.

The formula was going to be based upon the value of the ticket, and it included, at that time, frontier areas; there were no exemptions at all. That just did not wash. Even though I moved a motion at that time which substituted a dollar value which would have yielded the same amount of money, I recall the Chair ruled my amendment out of order. With the greatest respect, I think the Chair was totally wrong. The Speaker indicated that he was not going to introduce any innovations, and in any event he was going to rule against the motion I made.

Be that as it may, we have now had this air travel tax for a couple of years. It is on a fixed dollar basis and is a user-pay tax. This concept of user-pay is dearly loved by the Minister of Transport (Mr. Lang). That is now being abandoned in a number of sectors, principally on the west coast ferries.

The tax is being applied with equal vigour across the country except in the frontier areas. What is being given back to the travelling passenger who is paying the shot is a long way from even. For instance, in Toronto there are customs preclearance facilities to go to the United States. If you try to get them in Edmonton and Calgary, you are told by the minister and his representatives that the airlines have to put up the facilities; the airlines have to charge the passengers, and therefore Edmonton and Calgary traffic has to pay an extra charge for facilities which are provided for under the $5 tax in Toronto. Is that an even hand in the handling of passengers across the country? Every international airport handling traffic to and from the United States should have preclearance facilities such as Halifax, Montreal, Toronto, Ottawa, Winnipeg, Edmonton, Calgary and Vancouver.

• (1210)

The Minister of Transport can smile. However, if he has been listening he knows that passengers outside of Toronto—I will not speak about the mess in Montreal—are getting the

short end of the stick. They should have negotiated and arranged for preclearance facilities long ago. The absence of preclearance facilities in Canada gives the American lines an advantage over Canadian lines on competitive routes.

Talk about dragging their feet in Transport! Preclearance facilities in Edmonton and Calgary have been under discussion for years. The latest answer I have from the Minister of Transport is that when western Canada's "Mirabel" comes into operation in Calgary in September of this year, the facilities will exist for preclearance. For Edmonton, which has an equal demand for preclearance, it may be the fall of 1978, after the Commonwealth Games. That does not bother the minister one bit. The traffic flow into Edmonton will be somewhat less than Calgary as a result. They say that, because Calgary has more traffic than Edmonton, it should be treated differently. That is a lot of poppycock. The dice are loaded. In so far as the utilization of this air travel tax is concerned, the Department of Transport is applying it with an uneven hand.

I have been asking about the facilities in Gander from a revenue and an immigration point of view. Frankly, the minister is content to handle passengers who are flying through on a sort of cattle-pen basis. There are very inadequate temporary facilities. In so far as getting on with the job and putting in permanent facilities, Transport Canada are dragging their feet. All this is done within the comfort of headquarters in Ottawa. It does not much matter to the people who make the decision whether there is delay. If the increase is in building costs, they would not have to pay the shot. Therefore, it is an easy decision to defer. However, from the taxpayers' point of view it is a stupid decision. It costs the taxpayers from 20 to 25 per cent more, and they get less service.

I see the Minister of Transport is leaving the chamber. I just want to say to him that in this particular area there is a justifiable complaint. I hope he will take part in this debate and tell us what he proposes to do about the even application of the airport travel tax which is chargeable to all passengers in Canada. Some will get a dime's service in return and others will get their $5 worth every time they travel. The travelling public in Canada is entitled to a much better break than that.

We sometimes wonder why it is so difficult to have regional contact in Canada. We must contemplate the fact that to travel within Canada, for example from Ottawa or Toronto to Calgary or Edmonton, it costs more than flying to Europe on charter. In winter, the bulk of the Canadian population have greater access to European ski resorts than to the Rockies. Why? Canadians are being stuck, really having it rammed home, with regard to travel within their own country. There is something wrong. This problem must be worked out. This is why there is a sense of bitterness and frustration at times. The ministers should get involved and talk to those who are affected in this way.

The same principle is applied in another area. I cannot condemn it enough. The minister is now trying to even-up the situation with regard to buying tickets in Canada or buying them outside Canada. That part of it is fine. However, I want the Minister of Finance (Mr. Macdonald) to understand that in utilizing these funds the Minister of Transport has to be much fairer. The changes being made in the sales tax are not all subject to criticism. The minister has taken one very salutary step. It has taken some time to get there, but I—and, I am sure, members on all sides of the House—thank the minister. I refer to the so-called small business limit which so severely affected philanthropic organizations, rehab centres and individuals partially incapacitated who produced a small volume of goods of one variety or another: they could be handicrafts, or all sorts of other things.

I do not know when the $3,000 limit was put on. One might almost say that the new $10,000 limit has merely taken care of inflation. At least it is a step in the right direction. To that extent, the minister is to be congratulated for his compassion with regard to these people and public service organizations. We hope the minister's officials will keep their minds open to further relaxation in order to get ahead of just the impact of inflation and to encourage these people to do something on their own. It is far better for an individual who has a small business to produce $15,000 or $20,000 worth of goods from which he will not derive that much income, if he can sell them without an impost of sales tax. What is the alternative? Welfare, some form of social assistance. Where does the social assistance come from? It comes from the pockets of hon. members and the taxpaying public. It is ridiculous. There is a wrong social implication to it. It is far better to encourage individuals to go out and wrestle for themselves. As a result, they would have a sense of dignity.

I have had a good deal to do with people in the social services' field in my home city. I have always found it absolutely inconceivable that the so-called principles of equity of taxation have borne down as hard on these people as they have on others. Yet there we were, trying to encourage them to some degree of self-sufficiency through rehabilitation centres to get them back on their feet. After all, one has only to engage in correspondence with the disability section of the Canada Pension Plan to see the rules which are applied there as to whether a person is disabled. It is almost a matter of, if people can breathe or stand up, they are not disabled. That section feels that if people can do some form of work—and it cannot say what form—that is the responsibility of those people, so they are denied benefits under the Canada Pension Plan for which they and their employer have paid. The government pays nothing into the Canada Pension Plan, not one blessed red cent, and the alternative for these people is to seek welfare.

• (1220)

The government is quite prepared to pay 50 per cent under the Canada welfare plan for the support of people who, with a little bit of initiative and some sense of personal worth, are prepared to do something. But no, we have to tax them. I think this is a strong and very compelling case which provides equity to taxpayers generally and to citizens generally. This proposal would not only maintain this type of level of exemption to take care of inflation, but it also would have an incentive, and I suggest to the minister in all sincerity that he should look at

that to see if we cannot in some way restore an incentive for partially disabled persons. I refer to blind persons and others in the same category. However, let us consider those who may suffer from heart trouble and who cannot carry on their normal work, but who can engage in some type of small production alone or in conjunction with others. I referred only to heart trouble, but it might be some other crippling disease which handicaps people, such as arthritis. There are all kinds of handicapped people. From a social point of view, I think we could use our tax system to encourage those people and to improve social benefits so they will not just be recipients of welfare, which is so soul-deadening for so many in this country.

There are many points in this legislation which my colleagues will want to talk about. I know they wish to talk about points dealing with gasoline and diesel fuel, but there is one I would like to talk about at this stage. I am sorry I did not have the correspondence I now have at the time we were discussing Bill C-55. I have here an exchange of correspondence with the minister's colleague, the Minister of National Revenue (Miss Bégin). The reply she gave me was quite right, that the way the Customs Tariff is now worded, it would require a minor amendment to let this particular type of equipment through free of customs duty and sales tax. I am referring to spray markers. We have to be very, shall we say, simple here. It is a small matter, but very important.

I am referring to markers for agricultural aerial sprayers. Hon. members might wonder what on earth those are. Well, we have to understand what is done by aerial sprayers and what it means to western agriculture to spray pesticides or fertilizers. It is remarkable how many pilots of these aircraft there are. They have to use markers on the ground in the same way anyone here would when marking out his garden. There is one way of doing this, and that is, of course, to have a couple of persons on the ground walking along the edges of the field and marking out the lines for spraying or for fertilizing. Some people have been killed because, let us remember, these aircraft fly very low. Others, unfortunately, have been sprayed by pesticides, and they continue to be sprayed. The alternative is to use very light, brightly coloured markers.

In outlining the case to the Minister of National Revenue on March 31, I referred to an entry at the port of Red Deer. An Alberta firm was endeavouring to bring in these markers from the United States through the port of Red Deer, but it was charged a considerable sum in customs duty and sales tax. In my letter to the Minister of National Revenue I wrote the following:

> These markers are made of a special form of tissue paper and actually represent a necessary substitute for a human flagman, hitherto used and exposed to vapour spray, etc. In addition, there have been persons killed by being struck by the wheels of the low flying aircraft and there have been many near misses . . . the American firm called North American Industries Incorporated of Walla Walla, Washington have been able to obtain the necessary kind of paper and put these markers on the market.

Canadian paper mills have all been canvassed, but none of them has been prepared to manufacture a similar type of paper in the rather limited quantity which is needed to supply the Canadian market. The market may grow as time goes on, but at the present time there is just no one who is prepared to manufacture this type of tissue paper. However, combining the American requirements and the Canadian requirements makes it a viable operation. Unfortunately, under the Customs Tariff classification there is duty and tax. It seems to me that since this commodity is not manufactured in Canada, and since there is little likelihood it will be because of the limited market, Canadian agriculture again has to take it in the neck.

The costs are higher for Canadian producers. The hon. member for Red Deer (Mr. Towers) and hon. members from other areas where large-scale agriculture is the order of the day will readily support me when I say that I think there is a case here for submission to the Minister of Finance for relief from the customs duty on this item. After all, we went through the Customs Tariff the other day and there are some items which are really sophisticated. I think a better case can be made for these aerial markers than for the free importation of frogs legs, for example, and there are a number of other things which are rather sophisticated in the Customs Tariff.

• (1230)

Therefore, a matter of this kind is worthy of consideration, and I submit it to the minister for relief from customs duties. If that is done, then we can make a case for relief from sales tax. That is what is relevant today. They would of course, both be relevant to customs and sales tax. So many commodities in agriculture, because they go into the production of food, are relieved from customs and sales tax, and I think this is a particularly good case.

Mr. Speaker, I think I have spoken long enough. This afternoon other hon. members will be raising various points. We will be able to deal with these matters later in committee of the whole. For those things which have not been done, then, of course, second reading procedure provides the opportunity for remarks or exhortations to the minister. I hope my colleagues will make some good suggestions.

This is not a subject that has the greatest sex appeal as far as hon. members and the public are concerned. They do not realize that often in debates of this kind their pocketbooks are either being relieved of money or, through the representations of hon. members, relieved of an unnecessary impost of taxes. I think this is one of the purposes of discussion of a tax bill. I hope we can carry on and by the end of the afternoon finish with this bill.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, the bill before us, Bill C-54, is often regarded as a rather routine piece of legislation. It is true that with the exception of the air transportation tax, its provisions are more or less technical rather than of a substantive nature. That does not mean that this bill is unimportant or that it will have little impact on the average Canadian. In that connection, I think it is important that we get on the record the amount of money that we are actually referring to as far as revenue is concerned at the federal level as a result of the taxes that are imposed within the act that we are proposing to amend today.

Today I refer hon. members to the publication entitled "Public Accounts of Canada, 1976, Volume 1, Summary Review of Financial Statements." At page 5-3 it is pointed out that under excise taxes the sales tax alone yielded $3,365 million, or 11.5 per cent of the total federal government revenue, in the fiscal year ended March 31, 1976. The next item which comes in the same general category is oil export charges, which amount to $1,062,900,000, or 3.6 per cent of the total federal government revenue. Other taxes that come under the general heading of excise tax amount to $437.7 million, or 1.5 per cent of the total federal government revenue. Special excise tax on gasoline, which most of us are very sensitive to, amounted to $425.1 million, or 1.5 per cent of the total federal government revenue.

Hon. members might be interested in page 5-6 of the same report. We find there that not only is there sales tax of roughly $3.3 billion, but the other excise taxes on such things as cigarettes, tobacco and cigars, yield $369 million; on jewelry, watches and ornaments, $32.5 million; matches and lighters, $2.8 million; wines, $12 million; and sundry items, about $19 million.

I mention those figures because I think it is important in dealing with this bill today that we realize the magnitude of the revenue that comes out of the legislation we are now proposing to question. Even in this bill of only 12 pages and 20 clauses, the government demonstrates a remarkable knack for convoluting reason and for adopting policies that are in many ways almost 180 degrees off dead centre.

In the case of the air transportation tax to which the hon. member for Edmonton West (Mr. Lambert) referred, the government has managed to take a regressive step, when bold initiatives are needed. It has somehow managed to devise a tax on tourism at a time when our need for the tourist dollar has never been greater. In this bill the minister is proposing that we siphon an additional $15 million to $17 million from air travellers this year. It is perhaps an understandable, or at least a predictable measure, with Mirabel having lost $56 million in its first year of operation and being projected to lose another $56 million this year.

It is perhaps predictable that the government gets on to this user-pay concept when we realize they have tied up $110 million in federal funds in the still-born Pickering airport project in the Toronto area. In short, it is not surprising that the government would rather covet this form of additional revenue. In its present form, the tax, we understand, generated about $61 million between April, 1976, and February, 1977. This year it is expected that the tax will raise something like $66 million. Perhaps at committee of the whole the minister will be able to give us more precise figures on how much he anticipates in revenue from this tax alone.

Before the proposal becomes law by passage of this bill, I think we have to consider whether it is right to be extending this tax to travellers who purchase tickets outside of Canada. Surely we should be asking that question. Of the 2.3 million passengers the minister says will come under this new tax, more than 2 million are foreign visitors to Canada. That is the number of visitors to Canada who arrived by air last year, according to Statistics Canada. To put it plainly and simply, this tax is a levy on tourism, despite the minister's rather oblique reference to "travellers who use Canadian airports."

That the minister should propose such a tax when our national travel account is in a deficit is myopic indeed. Surely hon. members do not have to be reminded that last year the over-all travel account in Canada registered a deficit of $1.2 billion, 63 per cent greater than in 1975 despite the major attraction of the Montreal Olympics.

It is a dismal record and one which should command the government's concerted efforts to rectify it. Since 1971, our over-all travel deficit has widened five-fold; that is, our travel deficit in 1976 was more than 500 per cent greater than that of 1971. Anyone wishing to confirm for himself this drift from a deficit of $202 million in 1971 to $1.2 billion in 1976 should look no further than table 25 on page 61 of the minister's own "Economic Review" that was tabled recently in this House. I strongly urge the minister to read that report which his department prepared for him and to reconsider his proposal to tax foreign visitors who use our airports. To tax tourism—however marginally—in the face of deficits like these is short-sighted and insensitive. Let there be no mistake about that.

We are not suggesting that the bill will be a direct deterrent to air travellers coming to Canada. At $8 or less per person, this tax, especially when compared to international air fares from Europe and beyond, will however be one further deterrent to such tourism being expanded as far as Canada is concerned. If the bill does little to discourage tourism, it does nothing to encourage it. It is a further deterrent to tourists visiting this country; it does nothing to encourage tourism and will not help us to overcome our deficit in tourism. The bill represents another lost chance to take imaginative, positive action for remedying our critical deficits. In this context, Bill C-54 and the air transportation tax should be viewed as an incomprehensibly regressive measure. We see, here, a small, mean little step backward, whereas vision was required or leaving well enough alone would have been sufficient.

● (1240)

It is interesting to review the government's justification for the airport tax. In the budget brought in on June 23, 1975, former minister of finance John Turner proposed to extend the air transport tax which had originally been imposed in 1974. He said:

The increases, to be effective August 1 this year—

Meaning, 1975.

—are essential to reflect the general policy that those who benefit most directly from facilities provided by the government help to pay for them.

In other budgetary presentations, the Minister of Finance (Mr. Macdonald) has adopted the user-pay concept with respect to airports. Perhaps it is fair to ask users to pay, but that stops short of the real question, which is this: Has the government been prudent in operating our airports? Has it controlled airport expenditures? In short, if users or others are required to pay, must they pay for the expenditures which

have been incurred? I raise this question because I think one should be aware of some interesting figures. For example, I note that in the 1970 fiscal year our airports actually made money. On the other hand, during the last seven years, owing largely to the Department of Transport's inept, incompetent approach to airports, our airports ran up a staggering deficit which the government now asks users to make good.

If the government had shown more foresight, a little more restraint, a little less bureaucratic proclivity to indulge in the building of white elephants like Mirabel and the still-born Pickering project near Toronto, users would not have to pay a nickel and our airports would be breaking even or making a profit. Let me put some figures on record.

After paying almost $20 million in construction costs in 1970, our airports showed a deficit of $2 million. In short, they made about $18 million or more in profits from their operations in 1970. For example, Montreal's international airport, Dorval, after spending $482,000 on construction and acquisitions in that year, actually made a profit of $9 million from operations. Malton, near Toronto, made over $2 million, even after spending $6.3 million on construction and acquisitions. In short, our airports made money from operations in 1970.

Owing to this government's sheer incompetence and mismanagement, that picture changed. According to current estimates, or estimates relating to the 1978 fiscal year, it is estimated that our airports will lose $133 million. That is a colossal turnaround. In seven or eight years our airports, instead of making modest profits from operations have managed to run up enormous losses. As I said, the anticipated loss in the 1978 fiscal year will be $133 million. Therefore, is it not fair to ask if the user-pay concept is justified? Should users be asked to pay for expenditures the prudence of which is open to question? Let me emphasize that much of the $133 million anticipated loss is attributable to operational losses incurred by misadventures in airports like Mirabel.

It is anticipated that in the fiscal year previously alluded to, Mirabel is expected to lose some $56 million, but Dorval is expected to make $1.1 million. Malton makes money on its operations but loses money on construction. This year, Malton will incur a net loss of about $16 million, after having made a profit of $19 million from operations and spending about $36 million on construction. The Pickering project, of course, is a big loser, running up losses of $17 million. In short, people are not being asked to pay the $8 tax to cover the basic cost of running our airports; they are asked to pay the tax in order to make up the deficits which have been incurred by the Mirabel and Pickering developments—and that is the truth.

In our consideration of this bill we should ask this question: Is it fair to make people using Edmonton airport, Halifax airport or, say, Thunder Bay airport pay the airport tax, without making it clear to them that the tax will cover the deficit run up by Mirabel and developments like Pickering? Because that is the purpose of this bill, and let us not forget it.

We suggest the minister should consider suspending the tax in Canada at least during the tourist season, instead of extending it to foreign visitors as is now intended. I suggest such a measure might mitigate somewhat regional disparities in our air fares and encourage Canadians to take vacations in their own country, offsetting that classic rationalization for travel abroad, namely, that it is cheaper to fly to Florida from central Canada than to Newfoundland or British Columbia.

If we choose not to impose the tax, I suggest we could gain a competitive edge, slight though it may be, over those countries which impose such taxes. This factor is especially important when we consider the balance of our travel account vis-à-vis the United States whose citizens are coming to Canada in declining numbers for the third consecutive year. Last year alone the number of United States visitors decreased by two million: fewer visitors came to this country again this year, and please bear in mind that this year we do not have the attraction of the 1976 Olympics.

There are many reasons for this decline. An important one, I suggest, is rising prices in this country. Our travel account with the United States having turned around from a surplus of $132 million in 1974 to a deficit of $610 million last year, it is time for the government to direct its energies to making travel in Canada more attractive and less expensive. We should be pursuing incentives for tourism, not taxes on tourism.

Recently I was talking with some tourist-oriented businessmen in Niagara Falls. Frankly, I was astonished at the difference they were able to show me between taxation on the United States side of the Niagara Falls district and taxation on the Canadian side. They were able to show me why their meals on the Canadian side cost between 20 per cent and 30 per cent more than comparable meals on the American side. It is this type of thing which is causing tourism to fall off. I feel the $8 extension of the airport tax will only heighten this trend.

● (1250)

To those who have read the budgetary papers, it must be apparent that the average Canadian pays substantially more in the form of sales tax, excise tax and what-have-you than does the average American. In the discussion paper which was issued with the June 23 budget of 1975 there is a table showing the relative position with regard to taxes on goods and services in the United States and Canada. Table 3 at page 14 of the discussion paper which lists the incidence of these taxes in the two countries rates Canada in 1972, for example, as having a level of 25.2 per cent. The level in the United States in the same year was 16.2 per cent. This shows, to the extent that the sales tax and the excise tax are regressive, to the extent that they hit the poor person as opposed to the person with relatively higher income, that our tax system is considerably more regressive than that of the United States. The difference is that 16.2 per cent of the revenue of the United States comes from this form of taxation, whereas in Canada it is 25.2 per cent.

Mr. Speaker, sound taxation policies can accomplish two distinct aims. On the one hand, the imposition of a tax can inhibit or control activity. On the other, the removal of taxes can encourage a desired activity. Both of these factors come

into play with the air transportation tax. Unfortunately, this government has always been too quick to deter and regulate activity through new taxes, while it is slow to encourage positive action through the removal of old taxes. This is true, of course, with the air tax, and it also true of the sales and excise tax on automobiles. Here, again, the government seems to be 180 degrees off base.

The government, we were told in the last debate on excise tax, has initiated a weight tax and levy on air conditioners as a measure to encourage energy efficient vehicles. However, when we checked, we found that weight alone is not a concise measurement of energy usage as some models, though heavier, get better fuel economy than other lighter, but more wasteful models. The weight tax, as it is set up, would not accomplish its stated aim—to reduce energy consumption—but, rather, would only serve to add yet another source of revenue to the growing excise receipts. These receipts totalled, last year, some $5 billion if customs duty and excise and sales taxes are taken together.

We urged the government to change its tax criteria to fall in line with fuel efficiency rather than mere weight. We also suggested that the sales tax on lighter cars be dropped both as a spur to the economy and as a real incentive for the purchase of energy conscious vehicles. To date, of course, nothing has happened with either of these proposals and the government has once again chosen to pass up an opportunity for positive action in favor of the more regressive use of taxation. The 12 per cent sales tax on automobiles strikes hardest at those least able to afford it. Its removal would give a tax break to those most likely to benefit from it while providing a more direct approach to this nation's energy goals. I repeat, not only would it be in the interest of energy conservation but it would be a spur to employment in this country in that our automotive industry is oriented toward the production of smaller cars, more efficient cars, rather than to the heavier models.

We look forward to discussing this matter again with the minister when this bill moves into committee of the whole. On average today, Canadian automobiles cost between $500 and $1,000 more than their American counterparts. The lion's share of the difference lies in the taxes, and the taxes piled on taxes, extracted by governments. It is worth while to note, for example, that the Americans dropped their excise tax on automobiles in 1971 in order to stimulate the economy. They did this despite the fact that in some states—Michigan, for example—the revenue from the excise tax was greater than that produced by income taxes.

The average sales tax on Canadian automobiles is probably the largest single factor contributing to the higher cost of cars here. It is Ottawa which is the largest beneficiary of the production of automobiles. By this, I mean that if you break down the cost of an automobile, you find it is Ottawa which makes more money with respect to its purchase than anybody else: more than the car manufacturer, be it Ford or General Motors; more than the wholesaler; more than the dealer; more than any provincial government. In short, it makes between $300 and $1,000 on the purchase of every automobile in this country, and then has the nerve to say it would like, somehow, to discourage inflation. Well, Mr. Speaker, one way in which the government could get less inflation is by reducing the excise tax on smaller cars, making them cheaper for the average man who needs them to commute to work.

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

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: Order. When the House rose at one o'clock, the hon. member for York-Simcoe (Mr. Stevens) had the floor on Bill C-54.

Mr. Stevens: Thank you, Mr. Speaker. Before the lunch break I was indicating that we felt consideration should be given by the minister to the elimination or reduction of the federal sales tax on energy-efficient cars. I was pointing out that perhaps the largest single factor contributing to the higher cost of cars in Canada compared with the United States is that Ottawa maintains its excise tax, the United States tax having been removed in 1971. To put the matter in perspective, let me take, for example, a $3,200, four-cylinder Chevette. How many of us realize that the manufacturer makes about $75 on that car, the retailer makes about $100, yet the net take in sales tax alone which accrues to the federal government is $320. In other words, 10 per cent of the final retail price of that automobile actually goes to the federal government.

I suggest that that is not only inflationary in the sense that it causes people to pay that additional amount for a car, but it puts a hardship on the very people who should get relief in this country, namely, the average working person who needs a car to commute to work. Thirdly, it is a disincentive to people to buy a relatively small car, not only the Chevette to which I have referred but other similar types of automobiles.

Another item we will take up in committee of the whole is the excise tax on gasoline. Originally, the government declared that another gasoline tax amounting to 10 cents a gallon was necessary to support oil prices in Canada below the international market price. This tax was to be used, and has been used, to finance compensation payments to offset the cost of imported oil. As has been noted in the House, the 10 cents a gallon excise tax and the export tax levy currently produce revenue which exceeds the compensation payments by something like $300 million. As the domestic price of oil reaches the international market level, the need for this tax disappears, yet the revenues produced by it will increase. Here again, this windfall profit appears to be dropping into the hands of a government which, from its past record, has been irresponsible in the handling of such funds, certainly so far as their own restraint in expenditure is concerned.

In closing, let me add that we on this side of the House welcome the sales tax exemption for businesses with an annual

turnover of $10,000 or less. These will now be exempt from the sales tax provisions. This is something for which we on this side of the House have been asking for some time and we are pleased that the government has at last acceded to this request on our part. Incidentally, this provision removes an important obstacle to the small, independent Canadian craftsman and is long overdue.

Your Honour will recall that in the budget address of March 31, when dealing with other tax changes the minister stated:

> Finally, I want to refer to the discussion paper on federal sales and excise taxation. The issue here is whether the tax should be shifted from the manufacturer's level to the wholesale level. The matter requires further consideration. The report of the commodity tax review group will be tabled shortly in the House. I have asked the President of the Privy Council to refer the report to an appropriate standing committee of the House for its assessment.

I am pleased that the minister has not forgotten that discussion paper and that he intends to table it shortly. This will enable us to have a debate and to review the matter in the House. I am not pleased with the fact that there seems to be prolonged study, study and study, with so little activity. As we review the discussion paper and subsequent comments concerning the possibility of having the sales tax changed from the manufacturing level to the wholesale level, there seems to be almost a predetermined government decision. If we refer to the discussion paper the minister referred to in his March 31 budget, we find stated under item 11 on page 7: "Consequently the government proposes to move the application of the federal sales tax from the manufacturers' level to the wholesale level." They have said that and they propose to do it.

● (1410)

The minister made a very brief comment in his budget speech concerning the possibility of a wholesale tax. In the budget document there are almost two pages dealing with commodity taxes. We also find that while the government admits they have received 200 major submissions with respect to their proposals to change the sales tax from the manufacturers' level to the wholesale level, they go through the pros and the cons. They seem to end up in the budget document back to the point where they were in 1975, stating that most of the objections are admitted. They think it was a good idea, in spite of the objections. Surely it is a rather strange thing to have discussion papers issued, invite submissions, acknowledge objections and then turn around and say that in any event it should be put into effect.

If we reach committee of the whole before four o'clock, I hope the minister will make some comments later today. We may accept this coming into the House for further debate, but surely now is the time the minister should be bringing us up to date as to what his current thinking is on this important subject. I know certain of my colleagues wish to speak on this bill. I will conclude, but I do intend to ask questions at the committee of the whole stage on this important bill.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, it was less than four months ago that I rose to debate a bill to amend the Excise Tax Act. That was not Bill C-54; it was Bill C-21. It is interesting to note there has been no change in principle in the amendments which are proposed by this bill. Four months ago, in January, I was complaining about the nature of this tax. I said then, and I would like to say again, that it is an unfair kind of tax because the people in Canada who are paying the tax are not properly informed of it.

Unless one has particular knowledge of law, or particular knowledge of business, one does not have this tax brought to his attention and yet he carries on paying it all the time. Taxes are necessary. Everyone knows that. But it is the duty of the government to be honest and tell people when they are levying a tax and to clearly let them know a tax is being levied. A further inequitable part of this tax is that it, itself, is taxed by nine out of the ten provinces in Canada. Thus, this tax is increased by the percentage charged in retail sales taxes by those provinces.

We have heard a lot of talk about equity and simplicity in tax systems. That should not be only applied to income taxes. There is no reason why it could not apply to this tax. The constant changes the government feels compelled to introduce continually illustrate there is no equity and no simplicity in this tax as well as many others.

I would like to refer to the minister's budget speech at page 16 where he made reference to the discussion paper on federal sales and excise taxation. That paper was introduced by the former minister of finance, Mr. Turner, in June of 1975, approximately two years ago. The present minister, in his budget speech on March 31, 1977, said that the issue is whether the tax should be shifted from the manufacturers' level to the wholesale level and that the matter requires further consideration. At the time that discussion paper was issued there were thousands of representations made from all across Canada about whether the system should be changed to shift the burden from the manufacturers' level to the wholesale level, or not.

With the lapse of two years, with these thousands of submissions which have been received by the government, the government should have been able to come up with some kind of policy. The minister said that the matter requires further study and he went on to say that the report of the commodity tax review group will be tabled shortly in the House. We know what "shortly" means in this House: it means we will be lucky to see it this fall. In his budget speech he went on to say:

> I have asked the President of the Privy Council to refer the report to an appropriate standing committee of the House for its assessment.

That is another delay, Mr. Speaker. A standing committee on something like that is going to take further prolonged time. Goodness knows when we will ever see the results of the discussion paper on federal sales and excise taxation. I suspect it is a change that is not really wanted.

I should like to look at some of the provisions of the bill now before us. I notice the minister proposes to make some changes to sales tax exemptions for small manufacturers. He is going to increase that exemption from $3,000 to $10,000. Knowing the last time that exemption was changed, I am quite sure the increase to $10,000 does no more than keep up with the rate of

inflation on manufactured goods. The complaint has been made often enough that the minister should be aware of it by now. This is a tax which is also applied to offices which do a little in-house printing with copying machines, or whatever, if they are above the exemption.

Even the small individual businesses in manufacturing cannot get by without manufacturing more than $10,000 a year worth of goods. When they exceed that and have to start paying the excise tax, in addition to all the rest of their taxes, they have a very difficult time indeed. Further consideration is still warranted on that provision. It is commendable that certain producers of craft products, which are significant to Canadian culture and heritage, are going to be helped out, too, although that does not seem to be spelled out too well.

We can commend the fact that some additional energy-conserving items will be excepted. I notice there has been no specific reference by the goverment to help recycling industries. One or two of them will come in under this exemption because recycled newsprint is now being used in the manufacture of insulation. That will be considered as an energy-conserving item. Other items were mentioned in the supplementary budget papers. I am referring to page 25, aides to the disabled. The minister is certainly to be commended for extending the exemption to wheelchair lifts and allowing power to the governor in council to prescribe by regulation. Although we on this side have often said that government by regulation is bad and should not be encouraged, in the circumstances we can at least say that the motive is good.

● (1420)

With regard to the exemption being extended to vehicles which are designed to carry 12 or more passengers, the minister should again be commended—and I do not like doing that too much, in having discovered a loophole whereby some of these vehicles were being used as individual, private recreation vehicles. That certainly was not the intent. I submit that if the government had been doing its job properly in the first place, the present correction would not be necessary.

The minister said that the aim of the air transport tax is that an equitable contribution will be made toward the upkeep of facilities. More work is needed in this area as abuses are still possible. The hon. member for York-Simcoe (Mr. Stevens) mentioned the problem of airport funding, in particular where some of this money was going to go and the hardship this tax would impose on the tourist business. It is possible to circumvent this $8 ticket tax by simply buying a single ticket which covers, say, six return trips.

Every couple of weeks or so I fly to my constituency. I pay an $8 tax on a return ticket. However, the system in no way prevents me from buying a single ticket for six return trips and paying only one $8 tax. The minister will probably suggest that there are very few people who will do that. His predecessor said that to me on many occasions, for example, with regard to the Registered Home Ownership Savings Plan. However, whether there are numerous people who will do certain things or not is not the point. The point is that the government should make its regulations to ensure that they are equitable and applied equally.

This ties in with another abuse that is open—the matter of stopovers. When you buy a ticket and travel from one place to another in Canada, you may stop over as many times as you wish. You will only pay one $8 airport tax. The minister says it is for the upkeep of the facilities in the airports. The stopover passenger uses the facilities just as much as a passenger coming from outside the country, or any other passenger. The use is equal in all cases, but the demand is not. It would be a very simple matter for the government to correct this situation.

I will give an example. The airlines, including the government-owned Air Canada, charge sector fares when there are stopovers during a longer trip. Even though they are able to increase their revenue by charging sector fares, the government has ignored the possibility of collecting this extra tax which the minister says they need in order that travellers who use the facilities pay for them on an equal basis.

Many of my colleagues have commented on the gasoline tax. I will make only one or two comments. I understand that it is to be adjusted, but I am not clear on the purpose of the adjustment. This is a good time to ask ourselves why the government continues to levy the ten-cent per gallon tax which penalizes Canadians who must drive. I am not referring to those who are entitled to a refund, but those who must drive and do not get a refund. Considering the size of Canada, the lack of public transit and the fact that the government allows the price of oil to rise toward world levels, those who need to move about for business and other purposes are penalized by this tax.

Comment has been made on the concessions for smaller cars. The hon. member for York-Simcoe referred to the contrast in prices of automobiles between Canada and the United States and how the content of prices in Canada is largely made up of the extra sales tax that Canadians must pay.

Although it has been suggested a number of times, the government has not yet given any consideration to concessions with regard to the length of time a vehicle might last. The considerations of the government are strictly with regard to fuel economy. While one cannot argue with that, we should keep in mind the energy consumption required for the production of motor vehicles. Consideration should be given to encouraging Canadians to make their cars last longer.

One place where it could make a start would be in the capital city of Canada, right here in Ottawa. We have a very expensive commission—the National Capital Commission—that seems to be in control of things in Ottawa. Enormous amounts of salt are put on the streets in winter. It is not as though this were the only place in Canada that has a lot of snow. Many places on the prairies have a lot of snow and cold weather, but they get along without extensive use of salt. Obviously, the automobiles last a lot longer. In my city of Vancouver, the use of salt is almost unheard of. Cars last a very long time.

I wish to make some final comments on the remarks of the hon. member for York-Simcoe. He stated that this is a regressive tax, that further exemptions are needed to give relief to low-income Canadians. I certainly support that. I have called for this before. There should be exemptions for all food, housing costs, clothing and other necessities. It is clear that a wheelchair, which is exempt, is no more of a necessity to a crippled person than the other basic needs of a society.

While I find much to agree with in this bill, I think the government has again failed to give the needed deep consideration to the major changes of principle that are needed in the application of this legislation.

Mr. Stan Schumacher (Palliser): Mr. Speaker, I wish to follow the lead of the hon. member for Edmonton West (Mr. Lambert) in his complaints about the application of the airport tax as it is being handled by the Ministry of Transport. The Minister of Transport (Mr. Lang) is not with us this afternoon. Perhaps the message will get through to him, although I have to admit it is difficult to get any kind of message across to that minister.

I feel that I have a grievance, along with several thousand other people who are required to use the terminal facilities at Toronto international airport. People seem to be getting used to terminal 2 which is there. It was a badly designed and misconceived building. Nevertheless, it is there. In order to make the whole complex a little more workable, several million dollars were spent to connect terminal 1 with terminal 2 by means of an underground tunnel.

● (1430)

This would be a useful thing if it could be used, but I find that it is difficult to use unless you happen to be travelling without any form of luggage, because if you check your luggage through in order to get a reasonable connection, you cannot expect to find your luggage when you arrive at your destination beyond Toronto. If a reasonable arrangement could be worked out for the use of that tunnel, whereby a person could carry his luggage with him through it, then we might be getting something for this added excise tax on travel.

It is bad enough to have to wait for the luggage to come off, but what makes it impossible is the fact that people have to run upstairs and wait for that little bus to carry them across to terminal two with their suitcases. I think that machine comes around about every 15 minutes, and if a person misses it, as is normal, he has to wait half an hour. By that time it is too late to catch the connection over to the other terminal. We have a facility which cost several million dollars, and it has not been useful on any occasion on which I have used it. When I have left my luggage behind, I have found nobody in the facility, and it has been something like a mausoleum.

It is high time the government became a little more efficient with the taxes it handles, and in this connection we are dealing with amendments to tax legislation which raise about 25 per cent of the total revenue of the government. Many taxes are hidden and people do not realize they are actually paying them. Nevertheless, they do account for a tremendous source of revenue for the government. The government should account for the way it handles that money because at the present time it is just not handling it properly.

The hon. member for Vancouver Quadra (Mr. Clarke) and the hon. member for York-Simcoe (Mr. Stevens) mentioned the discussion paper which was issued by the previous minister of finance two years ago. I wish some headway could be made in this area. Speaking for myself, I am little discouraged to find that the government and its advisers are moving toward shifting taxation from the manufacturing level to the wholesale level. As a matter of principle, I think the government should be more accountable for its taxation policies. I think there should be a shift to the retail sales level. If that were done, the amount the government is taking would be out in the open. If we keep it at the manufacturing or the wholesale level, it is a hidden tax and in many cases adds to the apparent cost of everything. Retailers generally fix their mark-up on the basis of the wholesale cost, and then take a percentage on the amount of sales and excise tax they have to pay to the federal government.

This may not be a politically easy move to make, but I think an effort to make governments more accountable is necessary. It should be harder for governments to raise money and this source of revenue should be moved out into the open. Then there would be more accountability on the part of the government.

I agree with what my hon. friends have said about delay. An improvement should certainly be made in the form of taxation, and I urge this government to move past the wholesale level to the retail level. This would probably be fairly difficult in the province of Alberta, a part of which I represent. At the present time in Alberta there is no direct sales tax. My proposal would mean the imposition of a sales tax, and if I were on the government side I probably would not want this. However, as a matter of principle, these things should be out in the open.

I join in congratulating the Department of Finance for increasing the exemption with regard to small manufacturers. I believe this measure is aimed toward benefiting people involved in voluntary social activities. I believe it is unfortunate that the government has got into so many areas of social welfare. People are beginning to expect everything to be done by the government in that area and volunteer activities are falling by the wayside. That is much to the detriment of the basic nature and fabric of our society. This is a small step to encourage voluntary movements, and I hope the government will not let it lie here but that it will take other steps to encourage people to help themselves and others through voluntary activities, rather than having massive government programs to solve everybody's problems—which the government has not been very adept in doing, in any event.

I wanted to make another point with regard to the Toronto airport and the cost of living. The fare for that little bus to which I referred used to be 10 cents. It took people from one terminal to another. Now it costs 25 cents. That is quite an increase, percentagewise; and there is no fee at all for the use

of that multi-million dollar tunnel. It seems strange to me that we cannot better utilize facilities which have already been installed and, therefore, make us a little more efficient.

Mr. Clarke: In Vancouver, the bus is free.

Mr. Schumacher: It will not be for long, if we have the Minister of Transport and his user-pay concept around here much longer.

I would like also to comment on the business of car taxes. I am astounded that this government persists, in this area of high taxation, to increase those taxes. I can see some point in using taxation to encourage the use of energy-efficient automobiles, but the government's approach seems to be to increase taxes on large cars, which are already too high, and to leave the tax on smaller cars at the same level. I would rather see the government do something to reduce its total taxation "take" by removing, or reducing, taxes on energy-efficient models; and if a tax must remain on the other ones, they should be left at their present level.

Reference has also been made to the excise tax on gasoline. I agree with the government's state policy of increasing the price of petroleum to world levels, but the government should practice what it preaches and reduce the excise tax in the same proportion as applies to the price of oil, from which gasoline is extracted, because the stated objective is to reduce imports, and as that gap narrows the stated reason for the tax narrows. The government has an obligation to the people of Canada to refuse a tax that no longer has a reason for being.

● (1440)

In summary, Mr. Speaker, I feel that the government is asking us to amend legislation that accounts for a major source of its income. Numerous examples have been given to indicate they are not using this income properly. Because of that, I feel, as a general principle, they should be made more accountable and the public should be made more aware of this type of taxation. It should be out in the open. This would force the government to be more efficient with the money they take from taxpayers in this country.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to take just a few minutes of the time of the House to present to the Minister of Finance (Mr. Macdonald) an appeal which I readily admit has been made to me by only two persons. I suspect, however, that their view represents that of many others, and I hope the minister will give it consideration or at least ask some of his experts to look at it. The two persons who wrote me in this vein are from different parts of the country and I see no reason to think they were acting in concert. In each case the person is about to become an old age pensioner and retire. To use the language in one of the letters, this man and his wife have looked forward to their retirement for a long time.

Mr. Clarke: We look forward to yours.

[Mr. Schumacher.]

Mr. Knowles (Winnipeg North Centre): My hon. friend says that he and some of his friends are looking forward to my retirement. They will have to look forward to it from somewhere else, because they will be gone from this place long before I am.

This man and his wife had planned their retirement for a long time, he writes, and would like to see Canada. They have a car and a small trailer and had planned to make a trip and see Canada in the first year of their retirement. But he says that the tremendous increase in the price of gasoline has just about put that plan out of the picture.

The argument he makes to me is that he did not know 5, 10 or 20 years ago what was going to happen. Surely some concession might be made to such persons. I am not standing here making an appeal that all persons aged 65 and over should not have to pay the gasoline excise tax. After all, that would include me—and I am in a position to pay it, being a member of parliament. I put it to the minister, however, that as there are already some exceptions—farmers, certain invalids, and so on—in terms of the excise tax on gasoline, I wonder if a way could not be found to assist senior citizens, especially those who are not employed, who do not have other income and who might have to meet any other conditions the minister or his officials would work out. I am not trying to give the details. I am honoured that there are eight or ten of the minister's top officials in the gallery, so I am sure they could work out the details.

As I said, this appeal has been made to me by only two persons but I make no apology for taking the time of the House in regard to it. It is a reasonable, human appeal and I hope the minister and his officials will take a good look at it.

Mr. Ron Huntington (Capilano): Mr. Speaker, I will take this opportunity to offer a few comments and express a few concerns I have about the air transport tax proposed in Bill C-54. There are some conflicts in what is happening in Canada today that bring me to my feet to offer these remarks. Canada is at a low ebb in its economy and its ability to employ its people, but here we are moving in with another obstacle toward creating some energy within the travel market in the country. This air transport tax is a double taxation when considered with the tax in the United States. If you purchase a ticket in New York to go to Montreal and return, you are subject to a $3 U.S. tax—which, by the way, is sent into a trust fund that the federal aviation authority operates for expenditures on airways and airports. Then you have to pay another $8 tax to Canada.

The Canadian tax apparently goes to the administration of air transportation or the airport revolving fund, which in 1976 received $29.7 million in air transport tax—a substantial increase over the $5.7 million received in 1975. It is not practical to collect this tax at the other end.

The Minister of Transport (Mr. Lang) and his staff are aware how the system works in Europe. There, half of all tickets are sold by interline airlines, one-quarter by travel agents and one-quarter by the carrying airlines. How could the

collection of this tax be co-ordinated in a market like Europe when we are trying to attract some of their tourist dollars to this country? What we seem to be doing is imposing bad attitudes on tourists; on the one hand we welcome them, and on the other hand we send them off with a scowl.

In order to collect this $8 tax from foreign tourists we will have to accost them as they leave Canada and it will have to be done by the airline. In the United States, if a visitor refuses to pay his $3 tax the airline has the passenger sign a slip which the airline turns over to the government, which then has the responsibility of collecting. Where the tax is only $3, it is unlikely that the government will try to collect it.

Let us take the case of a family of four departing from Montreal. First, there is the bus ride from downtown to the airport—four times $5, making $20. If the airport tax was not collected at the European end of the trip—which is most unlikely—it has to be collected by the clerk at the airline counter. So four times $8 is $32. What a farewell for a family that has come to enjoy Canada. Of course, they could refuse to pay, which would give rise to all kinds of problems. It would hold up business at the counter and queues would lengthen.

Then there is the problem of handling the cash involved in this transaction. Most tickets are prepaid or purchased by credit card, so the visitor might have to join another queue in order to pay this tax that the airline is asked to collect on behalf of the government. What a way to build a travel industry! Why do we risk people leaving the country with a sour attitude?

It was suggested that the tax be collected through the customs and excise officials at the airport, but they pointed out that it would involve them in union problems. What will happen with the airlines if they are landed with this problem on top of their already onerous duties? I say this because, at this time in our history airlines can only cut costs and balance revenues with expenditures by cutting down on personnel. I suggest we are applying unnecessary pressure.

• (1450)

Consider what would happen to a person visiting Canada who bought his ticket in Europe. Since the carrier has brought the passenger only one way, from Europe to this country, the contract of carriage has only been half fulfilled. Let us suppose that the passenger will not pay the tax. What could happen? The airline could choose to break the contract of carriage, could choose not to collect the tax and be liable to penalties under the act and, perhaps, in the process, be responsible for that passenger missing his departure flight. The airline would then face the prospect of paying for the overnight accommodation. As you can see, Mr. Speaker, this position would add burdens to the industry already severely burdened with problems.

Largely because we insist on passing measures like Bill C-58, other countries are retaliating against us. The United States government will not allow U.S. citizens attending conventions in Canada to deduct their convention expenses for purposes of income tax. So in the United Kingdom there has arisen the question of retaliation with respect to security costs against Canadian airlines, because United Kingdom airlines are forced to pay security charges in Canada, whereas such services are provided in England by the British equivalent to our Department of Transport. This kind of retaliation is starting to build up against us—and we do not need it, especially at this time.

No doubt the government will claim that the collection of the transport tax in other countries is a step in the right direction. They say it is an equitable step, for, if Canadians must pay, why should not others? I suggest that if we welcome others to this country we should not involve them in the sort of hassles which could be in prospect for them. Really, this awkward tax which could create unnecessary problems would not have been necessary if the government had paid more attention to the management of the revolving fund set up to finance the construction of airports and airport facilities. I suggest the Taj Mahal syndrome, to quote the Minister of Transport, has made this tax, or this source of revenue, necessary.

In 1969 we set up the revolving fund for operating the two eastern airports. Then the Vancouver airport was included. According to what I learned in the public accounts committee, the revolving fund seemed to be working well and was actually generating a surplus. What happens under this government? The revolving fund was working well, apparently, the idea underlying it conforming to the user-pay policy of the Minister of Transport, when, without warning, the government absolutely ruined it, decimated it. It used the revolving fund as the burying ground for a whole series of unnecessary costs. First, it buried the some $500 million cost of Mirabel in that revolving fund. These days, when you ask how much Mirabel cost, it is difficult to obtain a truthful answer. The government will not say how much Mirabel cost it.

Mr. Clarke (Vancouver Quadra): It doesn't know.

Mr. Huntington: It does not know, and there is no way for it to find out. The government has used DREE for these purposes, the airport revolving fund, the Department of Public Works—it has used every little basket, so to speak, available to it to hide the cost of that airport. As well, the cost of the bridge from Vancouver to Sea Island has been hidden in that revolving fund. The government put the $130 million for the Calgary airport under the revolving fund, as well as the Pickering land purchase. Mr. Speaker, by so doing it is destroying the user-pay concept. By so using this revolving fund, that concept will be shattered. The government has really turned the fund into a coffin for its extravagance.

I have been a principal supporter of the user-pay policy which was put forward by the previous minister of transport and continued by the present occupant of that portfolio. But as I note the waste and extravagance of the government, and the unnecessary burden it is forcing our revenue-generators to bear, I cannot continue to support the user-pay concept. Our revenues in this regard should be solidly based, and sound. I think the opportunity to persuade people to accept the user-

pay concept in this country has been destroyed by this kind of abuse of government structures.

I have not much more to say, except that this tax is being rammed through the House without justification. The Minister of Transport and his staff are aware of the points I have made, but they are not listening to the industry. You would think that the minister, after his experience in withdrawing the northland subsidy on the west coast, would stop persisting in being arrogant and begin listening to suggestions which could have a positive effect in Canada. To me, this airport user-pay tax is contrary to the spirit of the user-pay policy the government has tried to promote in this country.

Mr. Bruce Halliday (Oxford): Mr. Speaker, I rise to bring to the attention of the minister a problem not new to him, since the Minister of National Revenue (Miss Bégin) drew it to his attention about a month ago. The question relates to the excise tax on potting soils and mixtures which has suddenly been resurrected. The question was brought to my attention by a constituent, Hillview Farms Limited, who 10 or 12 years ago realized there was a market in Canada for potting soil and potting soil mixtures. The company had to choose between two types of product, a mixture of various inert materials which, by themselves, could not support vegetable life, or a mixture composed partly of soil and partly of inert materials.

It learned from federal authorities that if it used a mixture of soil and inert materials it would not need to pay the manufacturer's sales tax, but if it mixed a number of these inert materials mechanically, in an admixture, sales tax could be charged. On the basis of that information the company consulted an agricultural expert who said that if the company wished to do a service to the Canadian horticultural industry it would opt for the second alternative, a mixture of true soil and certain inert ingredients which would foster the growth of plants. Having the best interests of the consumer and the country at heart, that company started a small operation in which it employed one or two people part-time. It has now grown, employing some 18 or 20 people full-time, and extra help in the summer.

● (1500)

Lo and behold, they were informed this winter, about two or three months ago, by the income tax officials that the income tax people had apparently just woken up from some kind of lethargy or sleep and had just discovered that some ten or twelve years ago legislation had been provided under the Excise Tax Act which called for a manufacturing sales tax on these products. This was news to them, of course, because they had been advised otherwise, and they consulted us about it. We, in turn, informed the Minister of National Revenue. The hon. lady took the matter under consideration and decided that something should be done about it. No concessions could be allowed in this area and I was so informed by her.

At the same time, the minister brought the matter to the attention of her colleague, the Minister of Finance (Mr. Macdonald), who I see is in his place today. We are pleased he is here and are interested to note that he has at least a dozen of his experts sitting in the gallery. I am sure the hon. gentleman will be able to give us an answer later today or next week, because from such a large batch of experts I am sure he will be able to obtain a good explanation of this problem.

[Mr. Huntington.]

One wonders why the income tax people suddenly found this section of the act when it had been completely ignored for so many years. One wonders whether it was a case that somebody just woke up and realized it was there. On the other hand, it may constitute evidence that there is in Canada a fairly large corporation, a subsidiary of an American corporation, which happens to import into Canada these inert products which are then sold on the market. Because they do not contain any soil they therefore, in accordance with the act, incur tax, and this is as it should be. If this is the case, they may be having difficulty competing with our own Canadian companies which produce a superior product. Perhaps the minister can confirm that pressure has been brought to bear, if not on his department then certainly on the Department of National Revenue, with a view to taxing this particular product, which is now available in Canada, in order to give a better chance to the American corporation with its Canadian subsidiary.

One wonders on what basis the Minister of Finance determines when a tax will apply on products such as soils and soil mixtures. It appears to have something to do with the term "manufacture". I have experienced difficulty in finding out what the ministry means when referring to manufacturing as it applies to soil mixtures and potting soils. These mixtures are nothing but mechanical mixtures. Soil is put with some of these inert materials and they are mixed together. No chemical reaction takes place. Any of the products used in the mixture remains unchanged, and yet for some reason the interpretation placed on the product by the Department of Finance is that the material has undergone a manufacturing process. On the other hand, if ordinary soil is taken and is treated with radiation or some other treatment which changes the soil, removes the bacteria from the soil, or may change it in some other way from its original condition, we then find that no tax applies. It is not considered, in that case, to be manufacturing. Therefore it is very difficult to know precisely what definition is used to arrive at the term "manufacturing".

A fundamental premise also exists, I understand, in the philosophy of the Department of Finance when they are trying to categorise products such as this. If you have a naturally occurring product in bulk and package it for use by the consumer in a smaller, more acceptable form, tax is not incurred. This makes sense, and when ordinary soil is packaged in this way no tax is incurred. But try to do the same with a bulk quantity of soil and add a few inert materials to it. For some strange reason tax is incurred when this mixture is repackaged.

This is not a minor matter, Mr. Speaker. It is one of major significance to many firms across Canada because it is my understanding that not only is Hillview Farms Ltd. concerned about it but that increasing concern is being expressed by the industry as a whole. Organizations such as Flowers Canada, Landscape Ontario, and Landscape Canada are most con-

cerned about this sudden imposition or re-incarnation of a tax which has been on the books for years but which had never been implemented. This may signify the efficiency of the government when it has taxes on the books for years but fails to implement them.

There are a number of inconsistencies, anomalies, inequities, and absurdities which relate to this problem, one which itself is something of an absurdity. First of all, it is interesting to note that these materials which are now about to be taxed in Canada can be imported tax free from, say, the United States if they come in containers with a plant or a flower in them. It is an odd situation. One can deduce that a person in Canada who needs potting soil has only to import it from the United States in containers.

There is a second inequity here. We are, in fact, faced with a hidden tax on food. I do not think the Minister of Finance really believes food should be taxed. But this is the situation. If you want to grow some tomatoes yourself, or if you want to grow some cabbage plants or some cauliflower plants, anything like that, for food for yourself you will be obliged, from now on, to pay a tax on the potting soil mixture you will need. It will be an added cost to be considered by all who grow food for themselves.

A third point which should be mentioned concerns discrimination. As we debate this tax bill, meetings are going on in one of our standing committees in relation to discrimination in relation to human rights legislation. Here we have a government which is trying to get away from discrimination in the field of human rights now reintroducing discrimination in another form. In Canada at the present time we have roughly 250 companies manufacturing potting soils of one kind or another. To the best of my knowledge, of those 250 companies the income tax officials have decided to nail only three of them. This is discrimination. They have said, in effect, that these three companies, presumably because they are a little more successful than the others, will be the guinea pigs and will have this reincarnated tax tried out on them. Instead of being fair to all the industries and agencies manufacturing potting soils or soil mixtures, we find the tax department has picked on three and is demanding the tax from them.

To illustrate how ridiculous the situation is and to show how inconsiderate the government is being in the way it has handled this matter, we will, for the sake of argument, concede that the tax is a proper one. We do not believe it is, of course, but let us just concede that for the moment. We have a situation where, in January or February of the year, in midwinter, the income tax people challenge the manufacturer of potting soils and say, "Starting now, you must pay 12 per cent manufacturing sales tax." They do not seem to realize the problems faced by these manufacturers. They do not seem to recognize that they issue catalogues, and plan for months in advance. All their prices are already catalogued, their invoicing and billing are done by computerized systems, and it takes at least three months to change them and costs about $8,000. Some of these companies deliver their soil well in advance, and often do not require payment until many months later. There are many complications, all of which the Department of Revenue has decided to ignore.

One further anomaly which I did touch on earlier refers to the fact that you can take ordinary soil and sterilize it, or subject it to radiation, but that does not seem to incur any tax; that does not seem to be interpreted as manufacturing. Take, for example, medical equipment. That is prepackaged, like soil, and does not incur any tax. But if you take ordinary soil and put a little bit of peat moss or vermiculite or fertilizer or other ingredient into it, you end up with what is called a manufactured product, and for some reason you then have to pay tax.

● (1510)

There is also what is known as spent soil. Nurserymen, market gardeners, and mushroom growers use a type of soil which, after a certain amount of use, becomes known as spent soil. For some reason spent soils are not taxable. I have before me a letter from the Minister of National Revenue under date of April, 1977, in reply to a question I put to her, and she has this to say in regard to soils:

> Soils in their natural state are not taxable, even when packaged. In the same vein, spent or surplus soils sold by nurserymen, market gardeners, and mushroom producers are also not taxable. These soils have not been processed nor have new characteristics or qualities been added to them prior to their sale—at least to the extent that they could be regarded as being manufactured or produced.

There seems to be something of a caveat there, but who would believe, Mr. Speaker, that a nurseryman, a mushroom grower or market gardener using these special soils had not added something to them? They may have added fertilizer or peat moss or vermiculite, yet according to the way the minister interprets the Excise Tax Act this soil is not manufactured. If a constituent of mine takes the natural products and puts them together, for some reason the end product is called manufactured. I do not know how the minister can explain that anomaly but possibly we will hear from him on the matter later today or sometime next week.

Having described these half dozen anomalies in the interpretation of the Excise Tax Act I should like, in conclusion, to put three questions to the minister to see whether I can bring the matter to a head and obtain some explanation from him. First of all, I presume it will not be the responsibility of the minister, but someone will have to monitor this beastly tax which has been uncovered. It is pretty difficult to decide just what is in soil, dirt. If there is vermiculite or perlite in it, that will be easy to identify, but I challenge anyone to say that soil with a little bit of peat moss or fertilizer or manure in it is different from soil you get out of the ground which has not been so-called manufactured, as the minister says it is.

In other words, how is the minister going to tell when soil has actually been mechanically mixed by some process compared with when it has been taken from the ground and bagged and is thus not taxable? I think the minister, or perhaps his colleague, has opened up a real bag of worms here, which is an appropriate metaphor. I suggest the department will have difficulty deciding whether a given soil mixture was

taken naturally from the ground or mixed together by some mechanical means.

Secondly, supposing a manufacturer of these soil mixtures, instead of combining them together as they are currently in a manner which is helpful to the consumer—obviously this service has been popular in view of the growth from two employees to 20—decides to package each ingredient in his soil mixtures separately so as not to incur tax, or puts all these little packages into one big package, presumably it still would not incur tax. I suggest it is ludicrous to think a manufacturer would have to do that in order to avoid this rather absurd and inane tax.

My final question to the minister is this: would he study the question of potting soil and potting soil mixtures from the point of view of all the inequities and anomalies to which I have referred? A very small amount of money is going to be raised from this resurrected tax and difficulty will be caused many businesses in Canada, and undeservedly so. I ask the minister to give consideration to including a clause in the bill to exempt from sales tax potting soil mixtures, top soil, top dressings and other similar products.

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I am happy to have this opportunity to enter the debate on excise taxation. It strikes me that the Departments of Revenue and Finance are still a little too imbued with some of the philosophy which appeared in the Carter commission report some years ago. There is a little too much tendency to say a buck is a buck is a buck, and for the federal government to demand money by way of taxation, as the hon. member for York-Simcoe (Mr. Stevens) suggested was the case with the airline tax, rather than look at ways in which to restrict federal spending, in which case the need to be quite so rapacious in taxation would not be there.

I also hope that in the next budget there will be a thorough-going review of federal excise tax, which has been promised us. I hope it will include a move to make the federal share of sales tax a visible, open tax, which the public could recognize each time it makes a purchase. I realize that the Constitution is clear on this point and that the federal government has the right to impose a hidden tax, whereas the provincial governments have not and must, if necessary, impose visible sales taxes. Nevertheless, the practice is detrimental not only to national unity but to the economy of the country.

While this tax review is ongoing I trust that coincident with it an attempt will be made to reconcile the whole sales tax picture with the provinces. Nothing is more detrimental to national unity than varying levels of sales tax imposed, and necessarily imposed, by provincial governments across the country. This problem is particularly acute in British Columbia where the sales tax has risen to 7 per cent, with no sales tax existing in our neighbouring province. The hon. member for Palliser (Mr. Schumacher) made reference to this in his speech. I know the long standing opposition of that province to the imposition of any sales tax, but the distortions which are brought into the economy of the province of British Columbia on its eastern border are so great, and the damage to business so serious, that a conference between the national government and the provinces should be convened to try to even out sales taxes applied across the country. The federal share of it should be made visible so that the provincial government would not stand out the way it does now when the federal government can escape without the general, daily, every purpose recognition of the sales tax.

● (1520)

I hope the minister, in conjunction with his colleague in the Revenue Department, will instigate a thorough review of the role of the revenue office in retailing within Canada. This is particularly so when it is possible to use zenith numbers to phone, without charge, south of the border to order goods which may well be purchased at a discount price not available to a normal importer who is expected to pay the fair market price. To have those goods landed in a town in the interior of British Columbia and then hand them out on collection of the 12½ per cent excise tax, but with no collection of the 7 per cent provincial tax, would be an automatic bargain. That may be an additional bargain in lieu of the original purchase price. The competition from the United States to small business in a province with a large provincial sales tax is very, very real. When you have a province that has two undefended borders in terms of the retailing community, it leaves a great deal of discontent amongst those people.

I suspect the Revenue Department is in many ways a long way behind the times in assessing the type and extent of excise tax which should be collected, when it seems quite possible that a manufacturer in the United States can control the wholesaler and can control the retailer and may well own the discount house as well. Thus they are able to discount their own product by dumping it abroad into Canada, which the Anti-Dumping Act does not take into consideration at the present time.

The other area I am concerned about is the area which shows up in regard to crafts. I have had a considerable amount of mail over the last year from people interested in crafts. Certainly the areas I represent in British Columbia tend to have a fairly long tradition of hand made and hand crafted articles which rise to the level of art as well. I am very much concerned about the proposed changes.

I would like to illustrate this with an example that was given to me by a constituent who creates highly original articles which are hand crafted, one of a kind, and which he calls sculpture. I notice he is not alone. I have here a copy of the *Architectural Digest* for May-June, 1977. It is the international magazine of fine interior design. I see an advertisement in that magazine for functional sculpture, signed originals by Gary Gutterman, and sold through a company called Axius in New York City. I do not know how the American excise tax department would categorize functional sculpture, but it certainly exists beyond the mind of the constituent who approached me.

An officer from the Revenue Department approached him at one of the craft shows in my constituency and informed him

that he was a manufacturer and hence not an artist. He was also informed that he should be paying the federal government sales tax on his items. He objected to that because he felt it was sculpture. Thus, an appeal was made to the customs division of the department with respect to tariff item No. 69515-1.

The Dominion customs appraiser advised my constituent that had these articles been imported they would not have been classified as sculptures under tariff item 69515-1. That misses the point a little because they were not being imported. They were being hand crafted, individually made, one of a kind, and created inside Canada, if you want to use the artistic expression. Why they should automatically fall under any definition for articles being brought in from elsewhere, I do not quite know. They are made within the country, so there is no question of duty. Why this particular suggestion was made about the treatment they would receive at the border if they had been made somewhere else, I do not know.

There is suggestion that some relief is on the way. That suggestion is contained in the statement that was made in the ways and means motion on March 31 of this year. I have the communiqué from Revenue Canada which sets out two provisions. It somewhat bothers me because it is ambiguous and I am sure the craft industry has not been reassured by what is here.

Before these matters are unchangeable and beyond anyone's power to revoke, I hope the minister will hold the most careful consultation with the people involved in the craft and art industry of Canada. The communiqué reads as follows:

> The Minister of National Revenue, the Honourable Monique Bégin, announced today that the regulations prescribing "Small Manufacturers" under the Excise Tax Act, will be amended to increase the annual sales value to $10,000 from the present $3,000. Persons who manufacture goods for sale or for their own use, valued at $10,000 or less annually will no longer have to be licensed or have to account for sales tax.

It continues as follows:

> The minister also announced her intention to classify as small manufacturers, craftsmen who personally manufacture or produce by hand various kinds of handicrafts that reflect an aspect of Canadian culture or heritage. There will be no restriction as to annual sales volume for this group.
>
> "Small Manufacturers" as a class are exempt from paying sales tax on the sale price of their finished products, however tax remains applicable to raw materials and components.

I suggest to the hon. minister and his hon. colleague that they will both be in endless trouble if they have two categories of small manufacturers, one being treated more generously than the other but considered a class. That makes no sense at all. It seems to me they need to change the category for small manufacturers, or they will need to introduce a third one which will deal with the artist who creates a sculpture or whatever it is which falls into the category of art. It should not be difficult to set up a board which would be able to distinguish that. It certainly would not be advisable to select the board which has approved some of the recent purchases for the National Gallery because there are some very utilitarian objects on the top floor of the gallery which have been raised to the category of art.

I would suggest the Finance Minister and the Revenue Minister should have very close consultation with the Secretary of State (Mr. Roberts) in this regard, because their views of what constitutes art are far more stringent than the views which have been held to by the purchasing board for the National Gallery.

● (1530)

I suggest that the second paragraph in this category of small manufacturers—no capitals and no punctuation marks—is going to be unacceptable to the people who regard themselves as true artists or even craftsmen. To find themselves listed as a simple manufacturer does utter violence to the work in which they are engaged.

There should be some consideration of what these people are trying to do. They are trying to fulfil themselves as artists who work with the art that they have chosen as their means of expression. At the same time most of them would like to work exclusively at the art they have chosen. They do not like to be something else such as college lecturers, school teachers, service station attendants or whatever they have to be in today's inflationary society to stay afloat.

These people would like to devote their life to art. If they are lumped as manufacturers the threat will always be there that the change could very quickly be made. Given the government's need for ever-increasing sums of money, it would be very simple to change the regulations with regard to excise tax. Manufacturers would not argue the question at all as to whether it was taken off or not.

I feel that both ministries should be prepared to accept the challenge of defining what can be categorized as a living, earned, true artistic production. Whether it be pottery, sculpture or functional sculpture, there should be room for this. Otherwise these people are forced into the job market, forced to compete at a time of high unemployment, and what looks to be a period of high unemployment for some time in the future.

These people do not want to compete. They do not want to take a job that does not interest them. They do not want a job that deprives them of the opportunity of working in their chosen field. However, sheer financial necessity forces them to do that.

The $10,000 annual sales value is of utterly no help to them. If there is any question here of the amount, it should have something to do with what it costs to live in this country today, because nothing can be made from nothing. All of these people must purchase materials in order to start their creations. Their costs will continue to rise. Very likely they will have overhead costs. Fuel is needed to fire the kilns, and electricity is needed to operate the polishers.

If they sold directly, they might have a hope of making a little. However, if they have to work through a gallery or dealer and pay a percentage, the hope of the craftsman or artist receiving a large share of the $10,000 is virtually nonexistent. It is not easy to live on $10,000. If it were all profit, that would be one thing, but it is not profit. It is sales to the value of $10,000.

By this measure we are forcing virtually every craftsman and artist well below the poverty line, yet taxing them on it. There is some hope in the second paragraph, but it will have to be redefined. Customs officials will be endlessly confused as to what is a small manufacturer and what is not. If a category is capital letters and quotation marks, there is not much criteria there on which they can make their decision. It will end up as in the example I quoted.

The customs officers will apply to the Revenue Department for a definition to determine what they should do with it as it crosses the border. The decision will not have anything to do with the appreciation of the craft and certainly nothing to do with the artistic merit or judgment as to the individuality of the true worth of the art as a contribution to Canada.

There is further hazard with various kinds of handicrafts being exempted if they reflect an aspect of Canadian culture or heritage. I am amazed to see that from this government which, for some time, has had the policy or slogan that this is a great multicultural country. Any attempt to define Canadian culture or heritage will be almost impossible. I suspect there will be a different deal for the native Indians of North America or the Inuit people than for anybody else. To define something as having a Canadian cultural or heritage aspect will be very difficult indeed.

These are my concerns about this bill. I urge the minister to have most careful consultation with his colleague, the Minister of National Revenue (Miss Bégin). There should be a thorough study of the wishes, concerns and opinions of the people involved in arts and crafts, particularly those involved in creating original objects that have to be looked at individually. There must be room for appeal for the artist who is unique, rare, and individual. In Japan, artists of that nature are classified as national treasures. However, in Canada we seem to have a policy of hoping that our artists will contribute to the national treasure, and there is a world of difference between those two approaches.

The Acting Speaker (Mr. Ethier): Order, please. Pursuant to Standing Order 37(3), I must advise hon. members that if the minister speaks now he will close the debate.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we have had a wide ranging debate during the day on a number of issues. Some of them ran not only beyond the bill but beyond the responsibility of this particular department, such as the questions of airport administration, the energy conservation program, and the oil import compensation program. Interesting and important as they are, I do not propose to deal with them this afternoon because, as I say, they run beyond the bill.

The hon. member for Edmonton West (Mr. Lambert) raised a number of points. I appreciate his comments with regard to the increase in the small manufacturers' exemption. The point was made by him and several other members with regard to the level to which it should be raised. I should advise the House that while it has the support on one side for the notion that the level of the exemption should be increased, I and my department have received considerable representation on the other side of the issue.

There have been objections from other small manufacturers whose volume may be above that of the groups we are talking about here. They regard it as unfair that someone who may, to a degree, be in competition, is exempt from this particular administration. That, of course, is the inevitable problem of trying to line up between what is a reasonable area of operation and what is an undue exemption in this regard. I think we can agree on the fact that at the $10,000 level we are exempting from this kind of administration a very small annual product, one which should not have to bear these costs of administration.

● (1540)

On the question of disability, an important and vexing question, I listened with care to what the hon. member for Edmonton West said. This matter was raised with regard to the Canada Pension Plan. It was raised in relation to the provincial administration, to which the federal government contributes through the Canada Assistance Plan. The question of disability is difficult, and disability is very painful to define with any clarity. However, I take note of the comments of the hon. member, as I took note of the comment he made with regard to marker papers for agricultural aerial sprayers. That question, perhaps, should be considered, as the hon. member mentioned, in connection with the customs tariff. I undertake that it will receive that consideration.

With regard to the air transport tax, there were a number of hon. members who made comments on the tax and on the question as to whether the imposition of this tax or a further extension of it to people who buy their tickets out of Canada and who may be engaged in a flight which causes them to deplane and to depart again from Canada, is going to operate against tourism and against the impact of more travel to Canada.

In general terms one can say that when a person is contemplating a trip by air, which is obviously going to cost several hundreds of dollars, the additional potential maximum of $8 added to the cost of that trip is obviously not going to be a disincentive. If one compares the experience with the first application of the air travel tax in 1975, after the tax was implemented in December of 1974, trans-border air travel by Canadians, which was taxable under the new tax, increased by 11.7 per cent, and other international travel by Canadians increased 9.4 per cent, so obviously questions regarding personal taste, the state of the economy, and other questions will have quite an impact on tourism, but the air tax in itself will not have that impact.

One problem which was very validly raised and which should be a matter of concern is the fact that there is a tax, for example, by the United States government on trans-border travel, and there might be an element of double taxation involved. We recognize that problem and the necessity to try to come to terms with it. Indeed, my officials have arranged

with United States officials to discuss this particular question in the very near future.

I think the problem is recognized on the United States side, and there is some hope that we might be able to achieve some kind of compromise between the two tax systems which will be of a beneficial nature.

I would like to put one other interesting statistic on the record in connection with United States visitors travelling to Canada. While there may have been a decline in the number of visitors to Canada in the recent past, that has not been so in the case of air visitors from the United States. For example, in the first quarter of 1977 the number of air visitors from the United States to Canada increased by 3.9 per cent. That indicates that use of this particular mode of travel has been on the increase, although there may have been a plateau of the increase in other areas.

On the broader questions of the Excise Tax Act, of the sales tax and of commodity taxation, there was some reference to the statement in the budget that we proposed to have a discussion in the committee of the commodity tax review which was tabled by my predecessor in his second last budget and which has been the subject of much representation by members of the public.

The hon. member for Vancouver Quadra (Mr. Clarke) stated, as his position and his party's opinion, that they were against too much administrative discretion and administrative action in the course of the application of tax laws in Canada. That is just exactly the problem to which the proposal to shift the sales tax from the manufacturing level to the wholesale level was directed. The proposal is an attempt to try to move to a different level of the productive process which would enable the administration to be carried forward with less administrative discretion. I wish to point out to the hon. gentleman the difficulty we have had with the public response which came back. The greater proportion of it was an objection to going to the wholesale level rather than directing ourselves to the problem, which we and other hon. members have mentioned over the years, of the necessity for administrative discretion at the manufacturing level. Therefore we hope to have the follow on documents from that commodity study available for tabling by about the middle of next month. It is obviously not a question which will or even needs to be resolved in the immediate future, but it is the kind of important question as to the administrative application of our laws and fair taxation upon which I am sure the finance committee would like to dwell.

I would like to deal for a moment with an argument which was repeated at several points, and that is with regard to the desirability of moving the sales tax right through to the retail sales tax level so that the public would know what it was paying in relation to that particular taxation. The first comment to be made is that it would be difficult in general terms to meet the objective of having all taxes hanging out there so the public would know what is involved. For example, corporate income tax, employer contributions to UIC, Canada Pension Plan or Quebec Pension Plan, property taxes and so on are wrapped up in the price of products, and I suppose one would have to wonder why it is necessary to have this particular commodity tax identified. What is so desirable about that when many of the other taxes are going to be hidden in the price of products?

There is in addition a practical difficulty in moving to the retail level. At the present time there are 58,000 licensed taxpayers under the manufacturers level excise tax. Going to the retail level would, it is estimated, increase the number of licensed taxpayers to about 250,000. In other words, it would involve a very substantial increase in the administrative burden which would be involved in carrying out that particular task.

That is a question about which I am sure hon. members will want to think, and I am sure we will have an opportunity to discuss it further when the commodity tax review goes to the committee.

The hon. member for Oxford (Mr. Halliday) raised a question with regard to potting soil. I can inform him that that subject is, as he requested, now under review. I will look at his contribution to this debate again and bring it to the attention of my officials to see if it might be possible to bring about some relief, for the problem which the hon. member has raised, which would be equitable and fair on all sides.

I think that covers many of the principal questions involved. There were a number of specific points raised, such as the point raised by the hon. member for Winnipeg North Centre (Mr. Knowles). I interpreted his remarks as being representations to consider rather than as invoking a specific response at this time, but I can undertake that that will occur.

The Acting Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Mr. Stevens: On division.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Ethier in the chair.

On Clause 1.

Mr. McCain: Mr. Chairman, on previous occasions when this type of bill was presented to the House, I made requests that there should be some consideration given to certain agricultural requirements which are not considered to be production costs. For instance, the requirements of ventilation and heating, and temperature and humidity control have not been considered as farm equipment. Since this is a very vital part of the farming operation and is essential to sending good produce to the market, what consideration has the minister given to this matter? Has he agreed that it should be characterized as agricultural machinery, or is it still in the category where it is taxable and dutiable but subject to refund after considerable difficulty?

● (1550)

Mr. Macdonald (Rosedale): Mr. Chairman, I would have to seek guidance. I do not know whether I should respond to that

now. Clause 1 deals substantially with the air transportation tax so I wonder whether, in the context of relevancy, I can go on and talk about the other commodities that may be dealt with in the Excise Tax Act.

The Assistant Deputy Chairman: I think the hon. minister has a valid point and we should address our questions to Clause 1.

Mr. McCain: Mr. Chairman, you are ruling, then, that the subject matter is not excise tax but is the specific areas of excise tax with which the clause deals. According to the title of the bill I thought the subject matter was excise tax, but you are disallowing any question on any subject which is not specifically mentioned within the confines of this clause?

The Assistant Deputy Chairman: In committee all questions should be relevant to the clause we are addressing. We are on Clause 1 so I do not think there should be questions that would apply to other clauses of the bill.

Mr. Stevens: Mr. Chairman, I am rather surprised at the narrow interpretation the minister has chosen to insist on as far as my hon. colleague's question is concerned. Certainly when the customs tariff bill was before us a fairly wide ranging group of questions was answered by the minister, and with our co-operation the minister got the bill through that day. For some reason he seems to have turned quite technical.

I should like to ask the minister what the tax on air travel actually produces. Could he give us some up-to-date figures on what the tax will produce in revenue? I should also like an estimate of what this additional extension will mean in revenue for the federal government.

Mr. Macdonald (Rosedale): Mr. Chairman, for the year 1975-76 the revenue was $53.7 million; for 1976-77 the estimated revenue is $66 million, and the estimated revenue resulting from the amendments would be, on a full year basis, $15 million.

Mr. Stevens: During my general remarks on second reading I pointed out that while this is being presented to us on a user-pay basis is something that should be required from those using the airports, were it not for the fact that there has been an increase in expenditures on airports, particularly Mirabel and to a lesser extent the Toronto area airports, this tax would not be needed. Unfortunately, it is somewhat of a deterrent to tourists who want to come to the country.

Could the minister indicate what steps he has taken in his deliberations in cabinet to try to ensure that airport expenditures be restrained so that whatever revenue is produced by taxes such as this will not simply be eaten up?

Mr. Macdonald (Rosedale): Mr. Chairman, it has been the function of Treasury Board in particular to review proposed expenditures by the Department of Transport in the area of airport administration. On the broader question, such as the acquisition of capital properties for further expansion, individual matters will be brought up for cabinet consideration. The scrutiny of expenditures is a Treasury Board process.

Mr. Stevens: In suggesting that we accept this tax I wonder if the minister could indicate what comparable taxes there are in the countries that give us our main tourist business such as the United States, the United Kingdom, and European countries, where this tax is presumably to be inflicted upon people using the airports?

Mr. Macdonald (Rosedale): The most relevant country would be the United States where there is a $3 specific tax plus an 8 per cent *ad valorem* tax without an upper limit. With regard to the EEC countries, there is a whole range of airport taxes imposed at the point of departure, so it is difficult to make a general statement.

Mr. Stevens: In the case of the United States could the minister indicate what the proceeds of the $3 tax plus the percentage are used for? Does it go to the federal government and, if so, what do they use the money for?

I am sorry, Mr. Chairman, I missed the minister's reply.

Mr. Macdonald (Rosedale): They are used for airport assistance programs.

The Assistant Deputy Chairman: Shall Clause 1 carry?

Some hon. Members: On division.

Clause agreed to.

The Assistant Deputy Chairman: Shall Clause 2 carry?

Some hon. Members: On division.

Clause agreed to.

The Assistant Deputy Chairman: Shall Clause 3 carry?

Some hon. Members: On division.

Clause agreed to.

The Assistant Deputy Chairman: Shall Clause 4 carry?

Some hon. Members: On division.

Clause agreed to.

The Assistant Deputy Chairman: Shall Clause 5 carry?

Some hon. Members: On division.

Clause agreed to.

The Assistant Deputy Chairman: Shall Clause 6 carry?

Some hon. Members: On division.

Clause agreed to.

Clause 7 to 16 inclusive agreed to.

On Clause 17.

Mr. Stevens: Mr. Chairman, it is a little difficult to be sure that the questions I want to put are exactly relevant within the

precise limitations the minister has indicated. I should like to get the minister's response to the suggestion that has been put by this party several times that consideration be given to the reduction or elimination of sales tax on energy efficient cars as an inducement and a conservation measure, in the hope that such a reduction would speed production of these cars which are mainly used in Canada. It would be a very welcome thing for people who use them for commuting to work and who like the much cheaper cars.

Mr. Macdonald (Rosedale): Mr. Chairman, we dealt with this previously. The view we have taken is that the purchaser of an automobile should bear some of the cost of government through a sales tax. That is why we feel this is the kind of commodity which should be expected to bear some sales tax. The question is whether we should favour the small car owner by exempting a family who perhaps require two small cars from some kind of tax, or put a penalty on those with an extra large car. We take the view that it is the extra large vehicle which is the problem so we put a penalty on them. We have been interested to note that the United States administration is following our example.

Mr. Stevens: I wonder if the minister could indicate what evidence his department has that this is a deterrent. I have had several examples cited to me where people are willing to buy relatively big cars and could not care less about the extra tax. If they want the car they buy it. On the other hand a $300 difference on a relatively small car means a lot to a man on low income.

Mr. Macdonald (Rosedale): Of course with the affluence in our society there are some people to whom the extra $300 is not important. For this reason we put forward this proposal which is now being discussed about an increasing severity of scale against automobiles that are not energy efficient. For reasons I mentioned earlier this year, this question is now being discussed with the manufacturing industry. We expect at some time to put in place an additional deterrent which will be a not negligible factor in the acquisition of energy-using cars.

● (1600)

The Assistant Deputy Chairman: It being four o'clock—

Mr. Kaplan: Mr. Chairman, I rise on a point of order. I suggest that we may consider during private members' hour a motion standing in my name and I would be prepared, if the committee agrees, to postpone consideration of my motion for a few minutes, if that would help the committee to complete its consideration of this bill and perhaps secure its passage on third reading.

The Assistant Deputy Chairman: Is it agreed that we shall not see the clock and continue in committee of the whole?

Some hon. Members: Agreed.

Excise Tax

Mr. Stevens: Mr. Chairman, could the minister give the committee figures for the aggregate revenues produced by the automobile sales tax in Canada?

Mr. Macdonald (Rosedale): Mr. Chairman, the sales tax on automobiles runs at between $475 million and $500 million.

The Assistant Deputy Chairman: Shall Clause 17 carry?

Some hon. Members: Agreed.

Clause 17 agreed to.

On Clause 18.

Mr. Stevens: Mr. Chairman, could the minister furnish an explanation with respect to subclause (4) on page 10 of the bill; I refer to language reading:

... Coin of any metal, of authorized weight and design, issued for use as currency under the authority of the government of any country.

Mr. Macdonald (Rosedale): Mr. Chairman, prior to 1975, Revenue Canada extended these provisions to classify all foreign coins free of duty and sales tax exempt. In 1975 Revenue Canada ruled that foreign coins, other than gold coins, were dutiable and subject to sales tax.

Under the International Monetary Fund articles of agreement, the government has undertaken not to impose restrictions on transfers for current international transactions. Duty and tax on imports of coins in current circulation would seem to constitute such a restriction and could be considered a disguised exchange control. As a result, in December, 1976, order in council P.C. 1976-3019 was passed which remits duty and sales tax on foreign coins. The purpose of this amendment is to deal with this sales tax relief in a more formal manner.

The Assistant Deputy Chairman: Shall Clause 18 carry?

Some hon. Members: Agreed.

Clause 18 agreed to.

On Clause 19.

Mr. Stevens: Could the minister say, Mr. Chairman, if the effects of the changes set out in Clause 19 will be to add to or subtract from revenue, or does the government think that the changes as set out in Clause 19 will preserve revenues accruing to the government under the gasoline excise tax?

Mr. Macdonald (Rosedale): Mr. Chairman, the tax levels will be left exactly as they were when they were imposed in March, 1977; therefore these figures should have no effect at all on revenues.

Mr. Stevens: Mr. Chairman, may I ask a related question about the ten cents a gallon gasoline tax, which is governed by the Excise Tax Act but is not being changed? Can the minister say what is the total this tax generates, and how much must be spent? In other words, what is the current revenue accruing to the government under this tax, what is the total expenditure made under it, and what is the surplus or deficit, as the case may be?

Excise Tax

Mr. Macdonald (Rosedale): Mr. Chairman, in the 1975-76 fiscal year, the net total of refunds was $425.1 million. Of course the total expenditure cannot be categorized if the funds are paid into the Consolidated Revenue Fund. They contribute both to the oil import compensation fund and to the financing of the various energy development projects which the federal government has undertaken.

Mr. Stevens: Mr. Chairman, could the minister indicate what is the refund portion of the expenditure which has been claimed by Canadians?

Mr. Macdonald (Rosedale): Mr. Chairman, I am sorry, I do not have that figure available today.

The Assistant Deputy Chairman: Shall clause 19 carry?

Some hon. Members: Agreed.

Clause 19 agreed to.

Clause 20 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Ethier): When shall the bill be read the third time?

Mr. Knowles (Winnipeg North Centre): By leave, now.

Mr. Macdonald (Rosedale) moved that the bill be read the third time and do pass.

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

Mr. Paproski: On division.

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

Mr. Macdonald (Rosedale): Mr. Speaker, I rise on a point of order. I understand, from discussions held earlier today, that there might be some disposition to allow me to make my second reading remarks on the Bretton Woods Agreement Act. I believe my colleague, the hon. member for York Centre (Mr. Kaplan), would be agreeable to that. Am I mistaken?

Mr. Fairweather: You have done pretty well today.

Mr. Paproski: Have a good weekend.

The Acting Speaker (Mr. Ethier): It being four o'clock, the House will now proceed to private members' business as listed on today's order paper, namely, notices of motions, public bills, private bills.

[Mr. Stevens.]

PRIVATE MEMBERS' MOTIONS

[*English*]

Mr. Paproski: Mr. Speaker, I rise on a point of order. I believe there is a disposition to consider motion No. 29, in the name of the hon. member for York Centre (Mr. Kaplan), and allow the other preceding motions to stand at the request of the government.

The Acting Speaker (Mr. Ethier): Is this agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): It is so ordered.

* * *

EXTERNAL AFFAIRS

PROPOSAL COMMITTEE EXAMINE UPHOLDING OF HUMAN FREEDOMS UNDER PROVISIONS OF HELSINKI AGREEMENT

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance) moved:

That the Helsinki Agreement be referred to the Standing Committee on External Affairs and National Defence to obtain evidence of the extent to which States signatory thereto have observed their obligations contained in basket 3 (human freedoms) and that the Commission have power to travel from place to place within Canada to hold public meetings on this matter.

He said: Mr. Speaker, in August, 1975, an historic agreement made by European and North American powers was signed at Helsinki, Finland, settling some questions of security and co-operation. A number of political issues were resolved at Helsinki dealing with questions which remain highly contentious so far as some Canadians are concerned. Some states were not represented by governments of their peoples, or by what we, in our democratic country, consider as governments.

I did not place this motion on the order paper in order to discuss the validity of the Helsinki agreement on those grounds. Actually I am not rising to object to the Helsinki Agreement. On the contrary, I shall address my attention this afternoon to the implementation of the Helsinki Agreement.

In signing the Helsinki Agreement, the Government of Canada has often stressed how important it considers assurances given by other countries of their co-operation in humanitarian and other fields. The undertakings with respect to such co-operation are often referred to as the Basket III provisions of the Helsinki Agreement. In a moment I shall examine some of the issues relating to Basket III to the Helsinki Agreement. Before I do that, let me remind the House of the importance of the issues I intend to raise. Their importance is this: on June 15, 1977, a conference is to be convened in Belgrade, Yugoslavia, to deal with the implementation of the issues I intend to raise. Their importance is this: on June 15, 1977, a conference is to be convened in Belgrade, Yugoslavia, to deal with the implementation of the Helsinki Agreement. I have a copy of the agreement with me and will note and refer in detail to specific undertakings given by states signatory to the Helsinki Agreement as to follow-up. They agreed, on June 15, to

declare their resolve, in the period following the conference, to pay due regard to and implement the provisions of the Final Act of the conference unilaterally, in all cases which lend themselves to such action; bilaterally, in all cases which lend themselves to such action; bilaterally, by negotiations with other participating states, and multilaterally. I want to emphasize the agreement which was made that beginning in August, 1975, the members would unilaterally, where they could, implement the undertakings contained in the Helsinki Agreement.

● (1610)

Less than a month from now there will be a meeting in Belgrade, as called for in this document, to review, among other things, the extent to which states have unilaterally implemented the measures and the promises they solemnly made in Helsinki in 1975.

The resolution I tabled last November called for the external affairs committee to travel across Canada receiving briefs from witnesses who would give evidence about the extent to which these undertakings had been observed. If my resolution had been accepted, these hearings would have taken place and the ground work would have been well prepared, but at this point, with less than a month to go, it is hard to imagine that even with the support of the House for the resolution the external affairs committee could carry out such a mandate. Nevertheless, I wish to defend this resolution because I assert that if it had been passed in time, and if that tour had taken place, we would be in a much better position at Belgrade in June to deal with the question of the extent to which member states had implemented their undertakings. I wish to refer particularly to the countries of the Soviet Union and the extent to which they have honoured their obligation to carry out unilaterally the promises they formally, solemnly, and in writing agreed upon in Helsinki.

Canada is a country made up of immigrants. I understand that since the Second World War one tenth of all the immigrants who have come to this country have been refugees, often leaving their families. It is typical of immigrants to Canada that they leave members of their families in other parts of the world. So it is proper, totally to be expected, and very Canadian, that this parliament should be concerned about the important question of the reunification of families. In the limited time which I have, I propose to deal with only one small provision in the third basket, the undertaking of the Soviet Union to promote the unification of families, and its agreement that it would unilaterally implement such an undertaking.

If we had inquired across the country we would have learned a great deal. We would have been able to go to Belgrade with many, many cases of both compliance and non-compliance with its undertakings on the part of the Soviet Union. I have many cases before me, partly because I have the honour to represent a very large number of landed immigrants who have come to these shores from the Soviet Union, many of them in the last five or six years. A large number of these have families still living in the Soviet Union and they are asking for the benefit of the Helsinki Agreement.

What is the specific provision to which I should like to draw attention? It is the provision which envisages contacts and regular meetings on the basis of family ties. There are two parts to this. One is an agreement about visiting—family members visiting each other across boundaries. The second has to do with settlement—the right of families to be unified. Let me deal with that briefly.

The Helsinki Agreement provides that in order to promote the further development of contacts on the basis of family ties, participating states will favourably consider applications for travel for the purpose of allowing persons to enter or leave their territory temporarily, and or on a regular basis if desired, in order to visit members of their families. Then there is a reference to the reunification of families where families wish to be reunited permanently. The provision is that the participating states shall deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their families, with special attention being given to requests of an urgent character.

Dealing with these matters in a positive and humanitarian spirit might, indeed, result in reunification in particular cases. But even with good faith being shown by a government, reunification might not be able to take place. However, the language used there—"dealing in a positive and humanitarian spirit" is quite different from the language used in the case of travel. The participating states say they will favourably consider applications to travel for the purpose of temporary visits.

Let me, then, confine myself to the undertaking of the Soviet Union to consider favourably applications to travel for the purpose of family reunification. In my office alone—and I am only one member of parliament—I have notes of more than a dozen cases of elderly relatives in the Soviet Union who have applied to visit temporarily their relatives in Canada and who have been turned down, in spite of the fact that the Soviet Union was prepared to undertake solemnly that it would favourably consider applications to travel.

I should like to tell the House about just one case, the case of Freda Schafirovich who lives in the Ukraine. She is a widow, 70 years old. She lives alone. Her husband was a war veteran who died defending the Soviet Union against fascist invaders in the Second World War. Not only was her late husband a veteran who served actively and with distinction, but she herself was a war veteran who was wounded in the defence of her city and was honoured for her valiant participation. Perhaps I should say, parenthetically, that the Schafiroviches were Jewish. When they were defending their country against the fascist invaders they knew what they were defending it against. Perhaps there was never a moment in history when Canadians, Americans, and all free people around the world felt a closer bond than in those terrible days when the Schafiroviches and hundreds and thousands, even millions, of Soviet citizens were rebelling and helping defeat the forces of fascism.

● (1620)

Mrs. Schafirovich, 70 years old this year, has been trying unsuccessfully for five years to visit her children who live in my constituency in the city of Toronto. Five years ago she received a visa from the Canadian government giving her permission to come to Canada as a temporary visitor, which was all she was asking. She intends to return to the Soviet Union. She applied under the normal procedure for permission from the Soviet authorities to leave that country temporarily. She did not receive a written reply or have anything she could show her son. She was called in and told to forget it, that she would not be allowed to be reunited with her son in Canada.

I have seen Mr. Schafirovich a number of times. I saw him before I went to the Soviet Union. When I went to the Soviet Union I had the opportunity of meeting with Chairman Podgorny, Chairman of the Supreme Soviet in the Soviet Union. I asked him about Mrs. Frida Shafirovich and when she was going to be allowed to come and visit her son who is living in my constituency, and said she had applied for a temporary visa. He said he would look into it. I understand that Mrs. Schafirovich was called in again. This 70 year old woman, a widow and wounded war veteran, was told to forget it, that she would not be able to visit her son.

Recently a friendly delegation of Soviet parliamentarians came to this country. The son, Arkady Schafirovich, came up to Ottawa and I took him to the Speaker's dining room and introduced him to three or four members of that delegation. They spoke together in Russian and he asked them to see what they could do to get permission for his mother to visit him temporarily in Canada. They took down the details and said they would look into it. They returned home, called in this 70 year old woman and, I understand, told her that she was not going to get to visit Canada to see her son.

I am not a supporter of communism; members of the House know that. But I do know there are many supporters of communism in the world, particularly in the Soviet Union. I should like to know, what does it do for the cause of communism, for socialism as they see it, for the kind of society that they want to establish, to tell a 70 year old Jewish lady, a veteran who fought in the Second World War, that she cannot make a temporary visit to her son?

Since the Schafirovich incident began, a meeting was held at Helsinki. I have referred to this one case but there are hundreds, maybe thousands, of Canadians who look to the Helsinki accord for assistance. They do not like the politics of it or the idea of boundaries being drawn around people who were not being democratically represented at the bargaining table when this agreement at Helsinki was settled, but nevertheless, they know about Basket III and they know that the Soviet Union put its signature to an agreement providing that the Soviet Union would favourably consider applications for travel for the purpose of allowing persons to enter or leave their territory temporarily and on a regular basis, at the option of the citizen, in order to visit members of families.

I have told hon. members about the Schafiroviches. I could have told them about a dozen elderly people in the Soviet Union who are seeking permission to visit their children in my constituency. There are others who wish to visit their children in other parts of this country, and still others who want to come and settle here, as is also provided for in this agreement. I do not know what the communists are trying to prove. I do not know what possible credit it does to the great revolution which they see themselves as leading when elderly people are now not allowed to be reunited with their children.

I suppose the most noble and powerful concept I have heard of is the notion of the family of man. We are one family on this planet. We have a responsibility to each other. I believe that the notion of the family of man, this dynamo in the world of ideas, calls upon us to condemn actions like this. I will not be satisfied if the Canadian government goes to Belgrade and fails to bring forward the dozens, indeed hundreds of cases of people who want to visit this country to see their children. I will be very disappointed if the Canadian government goes to that conference and fails to raise the Schafirovich case, as well as the hundreds of other cases where individuals are asking the Soviet Union for permission to visit relatives.

Let us forget about the declaration of human rights, Mr. Speaker—an impressive document, but perhaps it is too stale for the Soviet Union these days. Let us just talk about the Helsinki Agreement and the simple black and white undertakings made at that time to recognize the nature of the family of man.

I cannot say that I will be disappointed if the government prevents this resolution which I have proposed today from coming to a vote. I understand the difficulties it would entail at this late date to launch a parliamentary committee across the country to hear from all the Schafiroviches, not just the ones in my riding but those right across the country. I wish the government had of its own initiative, when this idea was first raised, organized that kind of participation by the Canadian people. But I am not going to criticize the government for that decision because I want to wait and see what it does at Belgrade when the Helsinki Agreement is reconsidered. I want to see what kind of evidence is put forward of the extent to which the signatory states to the Helsinki Agreement have observed their undertakings. I see my time has expired, Mr. Speaker.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I was glad to be asked to speak for my party on this motion. It says something about parliamentary time, as the hon. member for York Centre (Mr. Kaplan) has said, that events have caught up with the purport of his motion. However, I am not quite as discouraged as he seems to be about the Department of External Affairs and the list within that department of people who have been brought to the department's attention by members of parliament, and by families from one end of the country to the other. As a matter of fact the department gave a most extraordinarily frank statement to the external affairs committee on Basket III and the monitoring system that has been set up as a result of the Helsinki Agreement.

The particularly moving story that our colleague has reported concerning the mother of a constituent of his and his

question about why the might of the Soviet Union should be brought to bear on a 70 year old widow seems to me a matter that we must continue to raise. We can all cite examples of this sort of thing.

The Soviet Union and its government is frightened by the concept of freedom. It is frightened by the concept that mothers can visit their sons in other parts of the world. It is frightened by the concept that a journalist can go to and fro within that country. Its satellite countries are busily locking up journalists, including Canadian journalists, who dare report on the move toward freedom. We cheer, as freedom lovers all over the world cheer, when we learn about the catalogue of heroes coming forth to speak out against totalitarian regimes. This is the antithesis of the Soviet system, that huge country known as the super power. It has, as senior officials of its government, parliamentarians who are the sycophants of that government. They are elected from a list and know no dissent. That group is unable to cope with the simple act of family reunification. I do not mean to be self-righteous, and God knows we have our difficulties, but it would not take a group of members of this House to see to it that sons can visit mothers and mothers visit sons, or families have an opportunity to get together.

● (1630)

I feel rather hopeful about Helsinki, if we keep the truth in front of the world. I think the human rights basket was made a condition of the eastern bloc being able to institutionalize the boundaries of the Second World War.

Members of parliament and agencies of government have to keep on monitoring occasions when undertakings in Basket III are not fulfilled by the signatories to this treaty. I am sad to think there will be many such occasions. Our hon. friend has given us an example and he has said there are many others. Parliamentarians from all parties have raised this from time to time. We should have the opportunity to think beyond the boundaries of our country occasionally. This is an illustration that we can do this once in a while.

We think of names like Valentyn Moroz, a man who is being held now because the Soviet Union cannot stand having a Christian preaching the gospel. Imagine the whole engine of the state of the Soviet Union quivering, and putting a man in jail because he professes his belief. I am somewhat optimistic about Basket III. We do not need, in espousing the cause of human rights, to overstate the case. The case is well stated in hundreds of precedents through the United Nations and other times in history when men have espoused the cause of human rights.

The Belgrade meeting next month is embarrassed by Basket III. The Soviet bloc do not want to discuss the things which our colleague has been discussing today. They would rather forget the people within their boundaries who cannot see their sons, and forget the people they have put in jail because of their beliefs. I am anxious for us not to get into the language of the Cold War, which was a particularly trying time for freedom lovers. I know we all have the perspective of looking back, but it seems to me some things were done in the western world which echoed the intolerance of the Soviets. It was not echoed in totality, but they did echo some of the statements and techniques which are now being used in the Soviet Union and its satellites. We should keep telling the truth.

Our hon. friend has introduced sections of the Helsinki Agreement into this debate. There are examples of human beings who have suffered because the agreement was not lived up to by others. We cannot continue stating the case without trying to roll back communism and going to the brink, and some people are prepared to go to the brink. We should not use the outlandish phrases of the fifties. The brink I am referring to is not only in intellectual terms but the brink of their thinking. Perhaps I have not put that too well. What I am trying to say is that we have the case on our side in the sense that the document is there. If the document is not fulfilled, we should tell the world so.

When the departmental officials and the minister go to Belgrade, they should take the entire Helsinki Agreement with them. We should never consider going to Belgrade without it. We cannot be selective in the western world and agree to look at parts of that agreement. We have to look at the complete agreement.

Despite Berlin walls, despite all the boundaries, and despite the suspicion of the eastern bloc, mankind's ingenuity in technological terms is soon going to surmount this in freedom of information. Whether the Soviet Union likes it or not, we are on the threshold of developing a system of receiving information via satellites. That is going to confound boundaries and confound suspicious people who head totalitarian regimes. Although families may not be reunited, in the future there will be information about the west—how the west lives, and how we care very deeply about the thousands of cases which are caught under the basket of the human rights provisions. People who want to find out the truth can get the truth in technological terms. We are in a curious situation because some technology seems to be the antithesis of humanity. However, humanity is well served in this case because all people do inhabit a global home, and technology is going to make this known to all the inhabitants of the earth. The inhabitants of the earth are going to know when a super power is unable to let a 70 year old woman visit her son.

● (1640)

[*Translation*]

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, hon. members will probably recall that the Final Act of Helsinki was signed on August 1, 1975. It is a unique document in many respects. It is the result of a process which, from the outset, the Soviet Union only meant to be a simple effort to obtain international recognition of the status quo in post-war Europe, but which led to a conference dealing with much broader problems: the Conference on Security and Cooperation in Europe. Not only did that conference reiterate established principles which acknowledged the possibility of changes in inter-state relations, but it also gave a humani-

tarian scope to those relations. It considered human rights and each state's treatment of its own citizens as issues which are not only negotiable, but also likely to influence international relations.

In the first basket of the final agreement, principle VII of the "Declaration on Principles Guiding Relations between Participating States" is particularly enlightening in that regard. I quote:

> The participating states recognize the universal significance of human rights and fundamental freedoms, respect for which is an essential factor for the peace, justice and well-being necessary to ensure the development of friendly relations and co-operation among themselves as among all states.

This principle was agreed upon thanks to the perseverance of the western nations, as well as the provisions contained in the third basket on "Co-operation in humanitarian and other fields", which deal with some specific aspects of human rights, as for example the free circulation of persons and the free diffusion of information. Hon. members will undoubtedly recall that the Canadian delegation in Geneva put forward the proposition which is the basis for the provision contained in the third basket about the reunification of families. One must not wonder why Canada is interested.

I wish to draw hon. members' attention on the content of the third basket, which is the subject of the motion before us. It does not contain the basic declaration of the final act, respecting human rights, which is to be found rather in principle VII of the first basket, as I already said.

As for the third basket, it deals with certain points which I enumerate in detail to avoid any confusion with the provisions of a more general nature contained in the first basket as far as human rights are concerned:

1. Human contacts namely:

(a) contacts and regular meetings on the basis of family ties;

(b) reunification of families;

(c) marriage between citizens of different states;

(d) travel for personal or professional reasons;

(e) improvement of conditions for tourism on an individual or collective basis;

(f) meetings among young people; and

(g) sport.

2. Information, namely:

(a) improvement of the circulation of, access to, and exchange of information (not only oral but also printed, filmed and broadcast information);

(b) co-operation in the field of information; and

(c) improvement of working conditions for journalists.

3. Culture, i.e. contacts and exchanges in the fields of cinema, theatre, music, opera, ballet, plastic and graphic arts, books, copyrights, translation, etc.

4. Education, i.e. fields of activity like science, foreign languages and civilizations, and teaching methods.

In view of the large interest those aspects of the final act have for the Canadian public, it is important to know what are its views on them. In fact, it is essential that the Canadian delegation to the meeting subsequent to the CSCE, to be held in Belgrade later this year, be fully aware of the Canadian public's position with regard to the CSCE and the third basket, and have all the factual information which can be provided to them by individuals as well as organizations.

The government has been receiving mail on that matter for quite some time already. Almost every letter relates to the way countries of Eastern Europe are behaving. In some cases, they do not provide for any precise information and they even go as far as accusing some countries of violating sections of the final act of Helsinki which do not even exist. What the Canadian delegation needs is precise, accurate and well documented information.

During a meeting with leaders of the allophone communities in Toronto held February last, the Secretary of State for External Affairs (Mr. Jamieson) invited them to express their points of view and to meet senior officials in his department. Some verbal statements and written briefs have already been presented not only to high officials but to the minister himself. We are expecting some more.

The views of the allophone communities represent, of course, only a part of a larger group and the Department of External Affairs is open to any kinds of contributions. Incidentally, he has recently invited some representatives of the university community in Ottawa in order to hear their views on the application of the final act of Belgrade.

The department also receives on a regular basis some information on the compliance with the final act by other countries from other Canadian departments, from its missions abroad and from all those, including high officials, who took part in what is in fact a continuous process of consultations between the signatories to the CSCE and the final act. One can say in that regard that process was initiated right after Helsinki and was followed up since then on a continuous basis.

Right in our department, a small section was established a few years ago to get ready for the CSCE and co-ordinate the activities of various governmental services in that area. It also dealt with the way Canada is itself complying with the provisions of the Final Act.

[*English*]

In view of the extensive activity already being carried out by the government, there is some question whether there might not be a certain duplication of effort in having the standing committee take on a similar activity, especially at this time.

The motion under consideration should be considered in the context of the present heavy workload of parliamentary committees and the responsibilities they are already called upon to discharge before the end of the current session. I have been informed that at least 12 bills must be considered by six or seven committees in the next month. With such a load on hon. members' time and committee resources, a thorough and useful investigation by the standing committee would be difficult to hold in Ottawa, and next to impossible to hold in all parts of the country. I feel that the aims of the motion are laudable, but pragmatic questions of logistics must be considered.

Preparatory meetings begin in Belgrade in less than one month, on June 15, and the main meeting is scheduled for October of this year. We are dealing with very serious issues here. There is a real danger that committee hearings at this

time, and within these time constraints, would be hasty, incomplete, and superficial.

The preparatory organization of the committee's work, the actual hearings, the verification of information, the follow-up work, and the necessary co-ordination with the Department of External Affairs—all these essentials steps make it doubtful that hearings envisaged under the motion could make the practical, positive contribution to our representations at Belgrade at which we should be aiming.

There is another very important point which I have not yet touched on, and that is the limited scope of the motion. I fully appreciate the reason why attention has been focused on Basket III, but it should be borne in mind that there are many subjects covered by the Final Act, and just as Canadians may be interested in only certain aspects of the document, others will be interested in different parts. We cannot afford to ignore those other parts. All the principles have to be read in conjunction with each other, and the three substantive baskets of the Final Act have to be read together, particularly as the commitment of the Canadian government is to the whole Final Act and not just to Basket III.

● (1650)

Hearings which concentrated only on Basket III would fail to come to grips will all the problems which will have to be faced at Belgrade. At the same time, if the standing committee were to do a proper job on the whole Final Act, the task it would have to take on would be an enormous one to try to accomplish within the time frame allowed. I put these thoughts forward for the consideration of the House.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I shall take only a moment so that the hon. member for Scarborough East (Mr. O'Connell) can still make his contribution. I should simply like to say that even though events since last November may have overtaken the precise suggestions contained in the motion put down by the hon. member for York Centre (Mr. Kaplan), I want to join in congratulating him for having presented this motion and making possible the discussion which has taken place this afternoon.

Human rights everywhere in the world are of deep concern to all of us. It is a subject about which we must speak out when those rights are violated, and on behalf of my party I support very strongly the spirit and the intention which led the hon. member to put this motion down for debate today.

Hon. Martin O'Connell (Scarborough East): Mr. Speaker, I shall be equally brief, and I thank the hon. member for allowing me to have a few moments. I see that the hon. member for Trinity (Miss Nicholson) would also like to speak.

I want to congratulate the hon. member for York Centre (Mr. Kaplan) for bringing forward this motion. I regret that time has telescoped on us so much, but this Belgrade conference was only one of what surely must be many, and I think the idea that a reference be made to that committee is a sound one. I think too that we ought to state in this House that the Secretary of State for External Affairs (Mr. Jamieson) should include in the delegation going to Belgrade some representatives of the House of Commons so that we at the political level will know what is going on there, and so that we can assess the progress of our own efforts to pressure for progress in that respect. I think too that we should have representatives at Belgrade from non-governmental organizations, and that they in turn should include Canadian citizens who have come from those countries which are denying family reunifications and visits: the U.S.S.R., Czechoslovakia, Poland and others.

We are having our noses rubbed into the Helsinki Agreement, principally by the U.S.S.R. but not just by it. Why can we say that? Well, our government signed the agreement. That agreement included pledges that Canadian citizens would receive visits from their relatives behind the Iron Curtain and that those visits would be facilitated. I too have dozens of such cases in my office. I have not had one success as a result of my representations. We are having our noses rubbed into the agreement which we signed. We were party to it, and therefore I think it is in our interest to negotiate criteria at Belgrade which would ensure that we can respond to citizens. Therefore, I think we ought to be represented at Belgrade.

Mr. Speaker, I will yield to the hon. member for Trinity.

Miss Aideen Nicholson (Trinity): Mr. Speaker, since there are only a few minutes left before the time for this debate ends, I just want to say very briefly that I support the intent of the motion of the hon. member for York Centre (Mr. Kaplan). Because the inclusion of Basket III in the Helsinki Final Act was a Canadian initiative, we have a particular responsibility to monitor it. Like other hon. members who have spoken, I hear daily from my constituents of countless examples of people who cannot come here for a simple family visit, about elderly and sick people who cannot be reunited, although that was a specific recommendation in the Final Act and about unconscionable interference with the mails, with gifts and with these simple matters which help families to keep in touch.

The hon. member for Fundy-Royal (Mr. Fairweather) in his usual thoughtful way reminded us of the importance of conducting our negotiations at Belgrade in a way which is not counterproductive, which does not involve unnecessary confrontation, and which keeps the emphasis on the whole agreement, not just on Basket III. I think his point is well taken, but I also think Canadians know a lot about how to make a point firmly but politely. We can keep the door open for negotiation, but we must also state very clearly the cases and examples of blatant interference with the rights of people in their own countries which we know.

Some of the worst abuses of human rights now are perpetrated by governments against their own nationals, and while we cannot interfere with the internal matters of other countries, in the Helsinki Final Act some 35 governments have voluntarily taken a position and made a commitment. With this important agreement we can continue to expect governments to be accountable for that to which they have committed themselves.

Another important factor is the continuing involvement of parliamentarians, and I would like also to support the recommendation of the hon. member for Scarborough East (Mr. O'Connell) that members of parliament be closely involved with all the negotiations.

The Acting Speaker (Mr. Ethier): Order, please. The time allotted for the consideration of private members' business has expired.

Mr. MacGuigan: Mr. Speaker, I rise on a point of order. I believe there would be unanimous agreement to revert to "Reports from Standing and Special Committees."

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

JUSTICE AND LEGAL AFFAIRS

Fifth report of the Standing Committee on Justice and Legal Affairs—Mr. MacGuigan.

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

The Acting Speaker (Mr. Ethier): Order, please. It being five o'clock, this House stands adjourned until Tuesday next at 2 p.m., pursuant to Standing Order 2(3).

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, May 24, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC SERVICE

REQUEST FOR PUBLIC INQUIRY INTO ALLEGED BLACKLIST OF EMPLOYEES—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I rise under the provisions of Standing Order 43 to raise a question of urgent and pressing necessity. Having regard to the reports over the weekend in two Toronto based newspapers alleging conspiracies to obstruct the natural course of criminal investigation and justice, and in light of the multiplicity of unanswered questions relating to the various aspects of the extra parliamentary opposition concept, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House require the Prime Minister forthwith to initiate a full inquiry under the Inquiries Act.

And that such an inquiry shall be conducted allowing for the fullest disclosure to the judiciary of all documents or other pertinent evidence relating to this matter including such evidence which, under the Federal Court Act, has occasionally been withheld by the government for such reasons as national unity and Privy Council secrecy.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FIRE

PROPOSAL TO PROVIDE AID TO THOSE SUFFERING DAMAGE IN COBALT—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in view of the fire which swept through the town of Cobalt yesterday and considering that hundreds of people have been left homeless and without food and other necessities of life, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urges the government to provide immediate relief within the terms of the existing federal-provincial cost-sharing arrangements to the people of Cobalt.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

An hon. Member: No.

* * *

• (1410)

[*Translation*]

BILINGUALISM

SUGGESTION GOVERNMENT UNDERTAKE STUDY OF SITUATION OF FRANCOPHONES OUTSIDE QUEBEC—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

Considering the alarming conditions of the French-speaking minority outside Quebec; considering the detailed report made by the association of that minority in its paper entitled: The Heirs of Lord Durham; considering that the government has remained silent following the cry of despair uttered by some 600,000 French Canadians outside Quebec who have already seen within a century 900,000 of their fellow-men irrevocably Anglicized; considering that the Prime Minister and other French-speaking ministers of Quebec ignore that small French-speaking minority to become concerned with the fate of an English-speaking minority in Quebec which is in no way threatened among 250 million English-speaking individuals, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the government undertake a detailed study of the conditions of French-speaking Canadians outside Quebec to grant them, through the various provincial governments, the same rights and privileges given pursuant to Bill 1 under consideration at the Quebec National Assembly.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mounted Police

[*English*]

MULTICULTURALISM

SUGGESTED RESEARCH INTO THIRD LANGUAGE BROADCASTING—MOTION UNDER S.O. 43

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I, too, rise under the provisions of Standing Order 43. In view of the fact that there is widespread interest among ethnic groups all across Canada in contributing in a more positive way to our multicultural society, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That research studies be undertaken by a group comprised of representatives of the CBC, the CRTC, the Secretary of State and the Minister of State for Multiculturalism to determine a formula for a much greater input in third language broadcasting in Canada.

Mr. Speaker: Order. I have reservations as to the urgency of this matter. However, the provisions of Standing Order 43 would, in any case, require unanimous consent before the motion could be put. Is there unanimous consent?

Some hon. Members: No!

* * *

ROYAL CANADIAN MOUNTED POLICE

MINISTER'S KNOWLEDGE OF ALLEGEDLY ILLEGAL ACTIVITIES OF SECURITY SERVICE—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43 arising from the current investigation into the role of the security service of the RCMP in relation to the burglary and fire on the premises of Praxis Corporation in Toronto, and, as well, the burglary of the premises of the Quebec Newspaper L'Agence de Presse Libre du Québec in connection with which an RCMP officer has now been charged after, initially, having been put in charge of the investigation. I would therefore move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That the Solicitor General make a statement on motions informing the House clearly and unequivocally whether or not activities such as these were carried on with the knowledge and consent of the responsible minister at the relevant time or whether actions of this type by the RCMP security services were, and are, carried on without the knowledge, guidance and consent of the Solicitor General.

In either case, Mr. Speaker, an explanation is owed to the House.

Mr. Speaker: In order for such a motion to be presented the unanimous consent of the House is required. Is there unanimous consent?

Some hon. Members: No!

[Mr. Speaker.]

ORAL QUESTION PERIOD

[*English*]

PUBLIC SERVICE

SUGGESTED COMPENSATION TO THOSE IDENTIFIED AS BEING ON BLACKLIST—ALLEGED ADDITIONS TO THE LIST

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the Prime Minister. In the light of the revelation of the identity of 21 persons who were named by the former solicitor general as being subversives actively engaged in planning the overthrow of the government with the object of replacing it with an even more radical alternative, and in the light of the Prime Minister's previous statement that none of those persons has suffered from being on the EPO list, will the right hon. gentleman now set in motion a process designed to prevent further hardship and harassment, and, as well, offer these persons, now publicly exposed, some form of restitution and redress. Further, Mr. Speaker, would the Prime Minister undertake to ensure that in situations similar to that of Mr. Walter Rudnicki, immediate reinstatement into the public service is offered?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe I dealt with that question in previous weeks.

Mr. Oberle: The Prime Minister had not dealt with this question—

Mr. Speaker: Order, please. My impression is that in fact the question, in almost exactly the same words, has been answered previously. However, I am prepared to listen to the supplementary question.

An hon. Member: He did not answer; he avoided it.

Mr. Oberle: I should like to ask the right hon. gentleman if he is sufficiently familiar with all the aspects of the black list, with which he was not previously familiar, and all the matters relating to the EPO scandal, and is he now prepared to place on the record of the House of Commons those names which were not part of the raw intelligence supplied to a former solicitor general but were added to the list by someone in the solicitor general's office?

An hon. Member: That's a new one.

Mr. Trudeau: That is a new one, Mr. Speaker, and I will have to see if these facts are as fanciful as were the others.

Mr. Oberle: Mr. Speaker, could I ask the Prime Minister whether he is expecting us to believe today that he has not yet been briefed about this whole matter, that he has not looked at the list of names which was exposed over the weekend in a Toronto publication, and that he has not firmed up the position of the government on how to address itself to this very grave and serious situation affecting the lives and careers of some very innocent and unsuspecting Canadians?

Some hon. Members: Hear, hear!

ROYAL CANADIAN MOUNTED POLICE

MINISTERIAL RESPONSIBILITY FOR OPERATION OF SECURITY SERVICES—KNOWLEDGE OF MINISTER OF ALLEGEDLY ILLEGAL ACTIVITIES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I should also like to address a question to the right hon. gentleman and try to elicit from him whether or not he takes the position that the Solicitor General or his government should take the responsibility for the activities of the security services of the RCMP, or is it his position that this organization operates on its own, acting on its own discretion, without any obligation to the government to keep it informed of their operations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the principle of ministerial responsibility applies in this case as in all others.

Mr. MacKay: I am reassured by that answer, Mr. Speaker. I should like to ask the Prime Minister if he has been made aware of whether or not the then solicitor general has been briefed and was fully aware of some of the activities of the security service of the RCMP and if in fact he was, that is one thing, and if he was not, that is equally serious. Can the Prime Minister give us some more information on the knowledge of the responsible minister pursuant to the doctrine of ministerial responsibility at the time?

Mr. Trudeau: Would the hon. member care to indicate to what particular incident he is referring? I could tell him then whether the minister has been briefed.

Mr. MacKay: I would like to refer the right hon. gentleman to two incidents which have often been discussed in the House, the burglary into l'Agence de Presse Libre in Quebec, and as well the incident which is now under investigation in Toronto where the Metropolitan Police are reportedly on the brink of laying charges against the RCMP for their activities there?

Mr. Trudeau: In the latter case I do remember having information some weeks ago that the RCMP had received information from a newspaper editor and that they were in no way involved in the break in. I believe the Solicitor General gave that answer in the House. In the first case, if my memory serves me, the Solicitor General indicated that he had been briefed about the subject some time subsequent to its occurrence but the matter was before the courts. I do not know whether it is still there. If it is, I feel justified in not commenting on it at the time. I will see where the matter is now.

Oral Questions

MANPOWER

MINISTER'S POSITION ON DEPARTMENTAL FORECAST OF LEVEL OF UNEMPLOYMENT IN QUEBEC IN 1978—FORECASTS FOR OTHER PROVINCES

Mr. Edward Broadbent (Oshawa-Whitby): My question is for the Minister of Manpower and Immigration and it arises from the publication called "Manpower and Immigration Review, Quebec Region" which has recently come out and in which a forecast is made for the province of Quebec that the number of new jobs for 1978 will be less than the number of people coming on the job market, and for increased unemployment at an average of 9.4 per cent for the year 1978. I should like to ask the minister, since this is the first time, to my knowledge, that his department has made a public forecast on unemployment levels for a region, whether he would confirm that he stands by this forecast of increased unemployment for the province of Quebec for 1978 and if so, what does he plan to do about it?

● (1420)

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, before I confirm or deny anything I think I should read the report to determine its authorship and its authenticity, and to determine what is the gist of the report put out by that group.

Mr. Broadbent: Mr. Speaker, I can attest to its authorship. It comes from the minister's department, but given some of the answers of the minister in the House, I am not at all sure of its authenticity. However, I would like to ask the minister most seriously to look into this and to report back to the House why forecast unemployment figures were given, to my knowledge for the first time publicly, which show an expected increase in unemployment in the province of Quebec. Related to that, if we are now going to have this information made available about one province in Canada, will the minister assure us that forecasts for other regions will be made public, and will the minister produce the figures in relation to that soon?

Mr. Cullen: Mr. Speaker, as I indicated, I will look into the matter.

* * *

THE CANADIAN ECONOMY

MANITOBA'S REQUEST FOR FEDERAL-PROVINCIAL MEETING ON ECONOMIC PROBLEMS—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my final supplementary question is for the Prime Minister. Would the Prime Minister tell the House if he has responded to the telex he received from Premier Schreyer on Friday in which the premier of the province of Manitoba requested the Prime Minister to organize a meeting of the first ministers of Canada in the month of June to discuss all the problems facing the national economy, but in particular to co-ordinate efforts on job-creating programs for the coming fall and winter?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

* * *

[*Translation*]

BILINGUALISM

GOVERNMENT POSITION ON REPORT ENTITLED "THE HEIRS OF LORD DURHAM"

Mr. René Matte (Champlain): Mr. Speaker, my question is directed to the Prime Minister.

Is the Prime Minister aware of a report made by the Association of Francophones outside Quebec entitled: "The Heirs of Lord Durham"; if so, what steps does he intend to take to remedy the alarming situation which is described in this report and in which this very minority finds itself?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, yes, I have had the opportunity to get acquainted with this document and I indicated my intention to meet this group at a time convenient to the two parties; I hope it will be before the end of June. I should add that several government members have spoken to me about this and they are very much concerned about this problem.

POSSIBILITY OF OTHER PROVINCES TREATING FRANCOPHONES SAME AS QUEBEC TREATS ANGLOPHONES

Mr. René Matte (Champlain): Mr. Speaker, would the right hon. Prime Minister be willing to press the various provincial governments to give their respective French-speaking minorities the same rights and privileges granted the English-speaking minority in Quebec by Bill 1, which is now under study at Quebec's National Assembly?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I take the liberty of reminding the hon. member that a great number of initiatives have been taken by the federal government in that area. The hon. member should remember, for instance, the proposal we had submitted to all provinces in 1971, at Victoria, under which the provinces themselves would be forced by the constitution to respect the two official languages as the federal government does. The hon. member seems to be stroking his beard as if he were perplexed! If he wants, I can send him that document and he will see that the federal government had foreseen that situation as far back as 1971 and had made extremely courageous proposals, which were not accepted by the provinces, as the hon. member knows.

Mr. Matte: Mr. Speaker, with all due respect to the right hon. Prime Minister, from time to time my beard is a source of inspiration to me; that is why I should like to put a third question to him. I feel he is evading the point of my question. He knows full well that the proposed Victoria charter dealt with federal administration. Now, I was asking the right hon. Prime Minister if he would be willing to exert pressures on the provinces to bring their governments to give Francophone minorities the same rights that are being granted the Anglophone minority in Quebec by Bill 1 now before the Quebec National Assembly? It has nothing to do with federal administration but deals with a matter of provincial jurisdiction.

Mr. Trudeau: Mr. Speaker, I see the hon. member has somewhat forgotten the 1971 Victoria document which proposed specifically to the provinces that they have constitutional obligations just as the federal government wanted them for itself, through the constitution, so that all levels of government would be obliged, by the constitution, to put both languages, English and French, on an equal footing. The hon. member should study that document: he might then join us in our efforts.

* * *

[*English*]

INQUIRY OF THE MINISTRY

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to pursue with a reluctant witness opposite the issue raised by my friends the hon. members for Prince George-Peace River and the hon. member for Central Nova. In light of the exchanges between them and the right hon. gentleman, and in light of the fact that the Prime Minister told me last February that he was not particularly interested in how the RCMP got its evidence, may I ask if he accepts the philosophy of Richard Nixon as reported in a newspaper last Saturday, that burglaries and other crimes are not illegal if approved by the administration?

* * *

ROYAL CANADIAN MOUNTED POLICE

ALLEGATION SECURITY SERVICE RECEIVED DOCUMENTS CONNECTED WITH BURGLARY AT PRAXIS CORPORATION—REQUEST FOR REPORT

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I should like to follow on the questions put to the Prime Minister. In answer to the hon. member for Central Nova the Prime Minister said that he had been briefed some weeks ago regarding documents from Praxis Corporation and he had been told that they had come into the possession of the RCMP through a newspaper editor. Yesterday in the morning newspapers, more than 30 hours ago, a very serious accusation was published to the effect that the security services of the RCMP had received original documents from a source other than that newspaper editor. Is the Prime Minister telling the House of Commons that even though this very serious accusation against the security services of the RCMP was made and published more than 30 hours ago, he has not looked into that accusation? If he has looked into the accusation, can he tell the House whether the facts as published are verified by his own investigation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have been informed that the Solicitor General's office has looked into that allegation by the newspaper. I have not had a report from the Solicitor General's office but I think perhaps the Acting Solicitor General may have something to add.

Hon. Ron Basford (Acting Solicitor General): Mr. Speaker, as Acting Solicitor General I can report that the RCMP was not engaged in the break-in or in the theft of records from that corporation and as the press reports indicated, the Metropolitan Toronto Police are investigating the matter and the RCMP is co-operating with them.

Mr. Clark: Mr. Speaker, a supplementary question for the Acting Solicitor General or the Prime Minister. Did any document come into the possession of the RCMP that is related in any way to Praxis Corporation from a source other than the newspaper editor?

Mr. Basford: Yes, Mr. Speaker, but because that matter is under investigation by the Metropolitan Toronto Police I cannot report further.

REQUEST FOR ASSURANCE GOVERNMENT WOULD NOT CONDONE OR AUTHORIZE ILLEGAL ACTIVITY BY SECURITY SERVICE

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, a supplementary question for the Prime Minister. Would the Prime Minister tell the House now, unequivocally, that his administration would not condone or authorize any illegal intelligence activity by the security service of the RCMP or any other federal agency?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker.

* * *

POST OFFICE

EFFORTS TO AVOID STRIKE—PROPOSED PUBLIC INQUIRY OR COMMITTEE STUDY OF OPERATIONS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is directed to the Postmaster General. Now that an impasse has developed in the contract negotiations with the Canadian Union of Postal Workers when negotiations have hardly begun and it is apparent that the post office management and the CUPW are on a collision course that will lead to yet another paralyzing strike that will seriously damage an economy that is already in a fragile state, will the Postmaster General inform the House what action he is taking to diffuse the issue rather than shouting across the barricade in a continuing dialogue of the deaf?

Mr. Hees: What are you telling them?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, the interpretation the hon. gentleman has placed on the state of relations is inaccurate. I hope we will not have a postal strike. There is provision in the Public Service Staff Relations Act which permits a third party determination of the causes for the impasse and we are trying to accelerate that hearing so that we can resume negotiations.

• (1430)

Mr. Dinsdale: A supplementary question, Mr. Speaker. Will the Postmaster General consult with his colleague, the President of the Treasury Board, the minister responsible for Post Office employees, in an attempt to bring order out of the present chaos of the Post Office's industrial relations? Would he also give sober second thoughts to neutralizing the conflict, by accepting the motion proposed by the official opposition to resurrect the type of committee which dealt with the Finkelman report on employee-employer relations in the public service; or at least will he accept the CUPW proposal to have the whole matter considered by a royal commission?

Mr. Blais: Mr. Speaker, if the hon. gentleman had been serious about his motion, perhaps he would have attached a vote to it.

Some hon. Members: Oh, oh!

Mr. Paproski: Surely you can do better than that.

* * *

TRANSPORT

CROWSNEST PASS RATES—ALLEGATION MINISTER SAID HALL EXCEEDED TERMS OF REFERENCE BY RECOMMENDING RETENTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker,—

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I am glad I have the attention of the Minister of Transport, to whom I wish to direct my question. What was the basis on which he made a statement to the effect that the Hall Grain Handling and Transportation Commission, in recommending retention of the Crowsnest Pass rates as they affect producers, exceeded the terms of reference under which the commission was set up?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I thank the right hon. gentleman for giving me the chance to clarify that press report, as I did not indicate that any such reference to grain rates was beyond the terms of reference of the commission. I was asked the direct question, whether I thought the commission had referred to anything which was beyond its terms of reference, and I said I found it difficult to include the Arctic railway in those narrow terms, and perhaps the people appearing before the commission might have canvassed the question of freight rates more fully if they had known the breadth with which the commission was approaching those questions. But that reference did not apply to the

grain rates themselves. I must say that on every occasion I have emphasized that nothing in comments about matters being outside the terms of reference should take away from the fact that I placed great confidence in the Hall commission on its appointment, and that the commission on the basis of many public hearings across this country has brought forward a fine report, from which we shall be able to work effectively in future.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. I feel sure that the semi-judicial approbation of the minister will be widely accepted and approved. I suggest that, in the questions and answers which appeared in the press, there was no reference to the railroad running to the north. Has the minister not read the prepared statement of Mr. Justice Emmett Hall, to the effect he was surprised that the minister stated he had exceeded his jurisdiction in making recommendations about the Crowsnest rates? Does the minister now say "I did not criticize the recommendation; I was misunderstood. I did not use the proper language in referring to the northern railway and I never intended to carry on the vendetta against the Crowsnest Pass rates as I have in the past."

Mr. Hnatyshyn: Yes or no, Otto.

Mr. Lang: Mr. Speaker, as I indicated in my earlier answer, there was an erroneous press report published, and I made no statement in relation to the terms of reference or the Crowsnest rates. I make that statement flatly and clearly. If Mr. Justice Hall reacted to the press report, I can understand his reasons, but I am sure he will know from the answers I have given today to the right hon. gentleman that there was no basis for that report.

* * *

ENERGY

AVAILABILITY OF SEISMIC DATA ON OIL AND GAS FIELDS OFF COAST OF LABRADOR

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I direct a question to the Minister of Energy, Mines and Resources. The magazine *Canadian Petroleum* in its issue of May, 1977, states that detailed seismic data which could reveal substantial oil and gas fields off the east coast of Labrador and Newfoundland is being withheld from Canadian oil companies and that this data fills a large room at the Shearwater armed forces base near Halifax. The data was allegedly obtained through the surveillance of our coast line by long-range Argus aircraft using avionics equipment of the Department of National Defence. My question is this: Can the minister state whether this report is correct and if there is such valuable data available, gathered as a result of defence patrols, why has it not been made available to the oil and gas industry and to the provinces?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I have neither seen nor heard of the report to which the hon. gentleman refers but will be pleased to look into it.

DATE ON WHICH ARCTIC GAS MUST BE BROUGHT ON STREAM—MINISTER'S POSITION—EFFECT OF ARCTIC GAS ON PRICE OF ALBERTA GAS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Since the National Energy Board has not completed its report on whether Canada will need natural gas from the Arctic in the next ten years, does the minister still hold to his opinion, as expressed on the CTV network on Sunday, that Arctic gas must be brought on stream in the next decade?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. member is referring to a National Energy Board report updating the natural gas situation, he is referring to a report I have not seen.

Mr. Broadbent: Listen to the question, Alastair.

Mr. Symes: Mr. Speaker, I was referring to National Energy Board deliberations, not yet published, on different proposals for pipelines from the Arctic. I suggest that the minister was anticipating the report in saying that in his opinion the gas would be needed within a decade. My supplementary question is this. Since gas from the Arctic will be at least 100 per cent more expensive than existing domestic supplies and since it is unlikely that Alberta, to moderate future gas prices, will agree to blend the price of Arctic and southern gas, does the minister not agree that if Arctic gas is brought south, Canadians will in the next decade more than likely pay double the price they now pay for existing Alberta gas?

Mr. Gillespie: Mr. Speaker, as I explained to the hon. member in the standing committee this morning, work is at present going on with respect to what options concerning a roll-in arrangement would be open to us if gas from the north were to be brought to southern markets. That work has not yet been completed. The whole question involves, I suppose, the difference between Alberta and northern gas wellhead values on the one hand, and the transportation tariff as between the north and the south on the other.

* * *

[*Translation*]

HOUSING

POSSIBILITY OF INCREASING FUNDS FOR RRAP PROGRAM FOR QUEBEC TO ALLEVIATE UNEMPLOYMENT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs.

In view of the fact that unemployment in the province of Quebec is rising sharply, and that the construction sector is very important this time of the year, as it generally provides a great many jobs, could the minister advise the House whether

all the funds made available by his department to the province of Quebec under RRAP have been used up and, if so, whether additional funds will be made available to meet the constant demand in the housing construction and rehabilitation in the province of Quebec?

Hon. André Ouellet (Minister of State for Urban Affairs): Nearly all the funds made available have been used up. As I indicated in the House, RRAP proves very popular and most beneficial not only in Quebec, but also in all the other provinces. As to whether more funds should be made available, I should like to remind the hon. member that within the budgetary restraints of the Canadian government, this would be difficult, as the total for this year is already three times greater than last year.

Mr. Lambert (Bellechasse): Mr. Speaker, I would like to ask a supplementary question.

Since the minister has given a positive answer, would he tell the House whether or not the province of Quebec informed him on the number of additional municipalities which have filed requests under the program RRAP from April 1, 1977 and, if so, do these additional requests represent considerable expenditures on the part of the federal government so it has to consider them before giving its approval and would the minister recommend to his cabinet colleagues that more funds be granted in answer to those requests because it would be a tremendous step towards job creation and to satisfy housing needs in the province of Quebec?

Mr. Ouellet: Mr. Speaker, in reply to the first question of the hon. member, I must say that I got no information from the government of Quebec to designate other municipalities in that province. In that regard, there were no additional applications from Quebec authorities. As to being prepared to urge my colleagues to increase funds for RRAP, of course I am, Mr. Speaker. However, such an application has already been made and that is why the budget allocated this year for RRAP is three times higher than last year's. Since that program is so exceptionally popular and in view of the urgent need for rehabilitating certain homes in Canada, I am confident that again next year we will be able to increase the budget to meet urgent needs in Canada.

* * *

● (1440)

[*English*]

FIRE

REQUEST FOR AID TO THOSE SUFFERING DAMAGE IN COBALT—POSSIBILITY OF PROVIDING PORTABLE HOUSING UNITS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Prime Minister. With the possible exception of the Ontario Liberal member for Bruce-Grey, who was the only member in the House to refuse to give unanimous consent to a motion a little while ago—

Some hon. Members: Order.

Mr. Speaker: Order, please.

Mr. Lawrence: I am sure members on all sides of the House would have liked to extend a warm hand of sympathy to the people of Cobalt for the tragedy that occurred there over the weekend.

Some hon. Members: Hear, hear!

Mr. Lawrence: Can the Prime Minister indicate if, under the existing federal agreement with regard to tragedies and disasters of this scope, there was any federal initiative or leadership this morning to put into full force and effect the terms of that agreement?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, under the provisions of that arrangement, as the hon. member knows, the federal government has set the criteria under which federal payments will be made when a request has been received from the provincial government. As far as I know, there has not at the moment been a request from the government of Ontario in this regard. The point has been made to me by several members from northern Ontario. I will follow this very closely.

Mr. Lawrence: Mr. Speaker, my supplementary is to the Prime Minister. Because the real human element in the Cobalt area is the loss of hundreds of homes and the subsequent homeless plight of at least one third of the population, will the Prime Minister take under consideration an immediate inventory of all of the federal departments and ministries, their agencies and the contractors for the federal government with respect to portable housing units? My understanding is that there are numbers of these in northeastern Ontario that might be available to be used for emergency housing in the area. If he has not already acted on it, will the Prime Minister take that suggestion into consideration?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, events like this are always brought to the attention of the cabinet by members on this side. Indeed, as with the Minister of Finance, it has been raised with me by members of the area.

Mr. Alexander: Why did your members say no to the motion?

Mr. Trudeau: I asked that we consider every possible action. Here I must reiterate what the Minister of Finance has said. There is a formula whereby the federal government is prepared to assist provinces where this type of event occurs. It would be normal for the province of Ontario, if it is as interested as the hon. member, to make a request to the federal government for assistance in this particular case.

Mr. Lawrence: I am sure, as the Prime Minister and his minister appreciates, that agreement covers only financial arrangements. We are dealing here with something more than money. They are badly in need of housing and badly in need of manpower. There are National Defence units available. My question to the Prime Minister is simply this: Will he take a

personal, close look at the whole situation to see what else the federal government can do in terms of this human tragedy in the town of Cobalt.

Mr. Trudeau: I already indicated, Mr. Speaker, that this is being done by the government.

* * *

MANPOWER

FIRE DAMAGE IN COBALT—ACTION TO PROVIDE AID

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I will direct my question to the Minister of Manpower and Immigration. Possibly the minister responsible for housing would care to listen. I wish to ask either minister whether this particular matter is within their knowledge. In particular, is the Minister of Manpower and Immigration seeing to it that his whole department, together with the department of the minister responsible for housing, is involved with this extreme tragedy? Can he advise whether he is even interested in this matter. If so, what has he done about it?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, as one who spent considerable time in northern Ontario, and I am familiar with this particular community, I had a particular interest when I read the press reports. I immediately instructed my officials to look into the possibility of using the emergency fund under Canada Works. There is money that is already committed there for Canada Works projects that we may reroute under the emergency program. There is no shortage of concern on this side. The Postmaster General this morning raised once again with me, being a former native of northern Ontario, what my department is doing in this field.

* * *

HOUSING

FIRE DAMAGE IN COBALT—STEPS TO PROVIDE HOUSING UNITS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I will direct my supplementary question to the minister responsible for housing. I believe he heard my question. I know he is concerned about the fact that countless hundreds of people are now without housing as a result of this tremendous tragedy. What steps has he taken in order to see that the suffering has been relieved considerably?

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, I can report that Central Mortgage and Housing Corporation North Bay manager has been in contact with the chairman of the local housing authority to ascertain what can be done. There is a possibility of helping with temporary housing. Our CMHC men will be on the temporary housing committee. I can assure the hon. member that everything that can be done by CMHC will gladly be done.

AIRPORTS

MIRABEL AND DORVAL—REASON REVENUE NOT RECEIVED FROM HOST RENT-A-CAR

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct a question to the Minister of Transport. Can the minister inform the House whether his department is receiving revenues on a monthly basis from Host Rent-a-Car at Quebec, Mirabel and Dorval airports, and if not, why not?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, in several cases there are problems of the holding of a licence from the provincial authorities that have not been cleared up at this point.

Mr. Mazankowski: In light of the minister's answer, may I ask whether the reason that the revenues are not being received at this particular time is the fact that this particular company failed to comply with the licencing requirements of the province of Quebec?

Mr. Lang: Mr. Speaker, I did not use the expression failed to comply. I would say, "has not yet received a licence".

* * *

ENERGY

ACTION TO EXPEDITE SECOND REPORT OF BERGER COMMISSION

Mr. Alan Martin (Scarborough West): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the importance of having all significant evidence before the government prior to making a judgment on the northern pipeline matter, will the minister do all that he can to ensure a speedy delivery of a report on the second phase of the Berger inquiry which will deal with the conditions that should prevail in the event a pipeline is to be built down the Mackenzie Valley in the immediate years ahead?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I understand the hon. member's concern about this matter. I am not at all sure that I am in a position to in any way accelerate the work of Mr. Berger. Mr. Berger, of course, is not reporting to me. He is reporting to my colleague, the Minister of Indian Affairs and Northern Development.

* * *

REGIONAL ECONOMIC EXPANSION

NEWFOUNDLAND—PROPOSAL TO EXTEND SERVICES TO VARIOUS PARTS OF PROVINCE—REQUEST FOR REPORT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Last week in the House the minister indicated that he will be making a decision soon with regard to extending some services by having offices of his department

opened in other parts of the province. I am referring particularly to the disastrous situation which will occur as the result of the impending closure of the Labrador linerboard mill. Has the minister made that decision? Will he keep in mind the urgency of the matter and give me some information?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I am keeping in mind all the suggestions that I have been receiving from members of this House. I am aware that there should be an extension of our services in different provinces. However, I have not reached a decision.

* * *

MANPOWER

CLOSURE OF LABRADOR LINERBOARD MILL—ACTION TO AID AFFECTED EMPLOYEES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to direct my supplementary question to the Minister of Manpower and Immigration. Some time ago the minister indicated that in addition to putting into effect the emergency response part of Canada Works program that his officials would deal on an urgent basis with the situation which will occur as a result of the impending layoff of some 2,100 people. I wonder whether the minister could now report something positive in this regard.

● (1450)

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, all of the facilities of both CMC and the UIC were put into operation. We have a temporary on-site CMC registration outfit which was put into place on May 16. Our mobility programs are in fact also available. Meetings are being held with company, union and provincial officials to see whether we can dovetail some operations to help individuals who have been laid off.

* * *

AIRPORTS

CHARLOTTETOWN—REQUEST FOR PROGRESS REPORT ON NEW TERMINAL

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to ask the Minister of Transport whether he can advise if discussions between his department and officials of the P.E.I. government regarding the over-all plan for the Charlottetown airport have now been completed, and can he indicate the present pattern of progress on the construction of a new terminal and other essential ingredients in this important air transportation element?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, discussions have been going very well according to my last report. I will get an up-to-date report today to see where we stand and I will let the hon. member know.

SCIENCE AND TECHNOLOGY

VICTORIA ASTROPHYSICAL OBSERVATORY AND HERTZBERG INSTITUTE—POSSIBLE APPOINTMENT OF MR. VANDENBERGH AS DIRECTOR

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is addressed, with your indulgence, to the Minister of Science and Technology or possibly to the President of the Treasury Board. I wonder whether either minister would be prepared to say if a Professor Sidney Vandenbergh has been or is about to be appointed director of the Astrophysical Observatory in Victoria and/or the Hertzberg Institute?

Hon. James Hugh Faulkner (Minister of State for Science and Technology): Mr. Speaker, I would have to look into that for the hon. member.

Mr. Munro (Esquimalt-Saanich): A supplementary question, Mr. Speaker. While the minister is looking into that matter would he inquire whether there is any possibility that Professor Vandenbergh has made it a condition of his acceptance of this appointment that he might bring with him an American astrophysicist rather than employing a Canadian one?

* * *

HEALTH

SACCHARIN BAN—REASON PURE SACCHARIN NOT USED IN TESTS—POSSIBILITY OF CHANGE IN BAN

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of National Health and Welfare. A press release from the minister's department recently has thrown into question the credibility of the previous research study on saccharin which led to the banning of saccharin from the point of view that it is now not clear whether it was saccharin or impurities in the saccharin which caused cancer in the bladders of rats. Can the minister indicate to the House why it was not ensured that pure saccharin was used in the first place; and secondly, can he now clarify what the position of the saccharin ban is and what work is being done to determine whether it was indeed the saccharin or the impurities which caused the problem?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, to conduct an adequate scientific study the saccharin which is presently put on the market by various manufacturers had to be used. Those tests indicated that a determining factor seemed to be the impurities in the saccharin put on the market. The hon. member knows that the elimination of impurities from a product is not a simple and easy task. I am informed that it is undoubtedly impossible to eliminate completely such impurities and at the same time manufacture and put on the market a product which is competitive in terms of prices with other products already on the market.

[*English*]

Mr. Yewchuk: A supplementary question, Mr. Speaker. In view of the new findings, I wonder whether the minister will clarify for the House whether he intends to make any changes in the recently imposed saccharin ban?

[*Translation*]

Mr. Lalonde: Mr. Speaker, no new factor would justify changing the policy formulated in this regard.

* * *

[*English*]

ANTI-INFLATION PROGRAM

EXCESSIVE SALARY INCREASES GRANTED SOME EXECUTIVES—REQUEST FOR REPORT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Finance. A week ago yesterday I asked his parliamentary secretary some questions about reports to the effect that a number of top executives had had salary increases last year, some ranging from $10,000 to $22,000 a year and one as high as $60,000 a year. In my question I asked whether the government would take serious steps to see that the policy of restraint applies to those at the top the same as it does to wage earners and others in the middle and lower income brackets. I was promised a report within a few days; does the minister now have that report?

Hon. Donald S. Macdonald (Minister of Finance): Yes, Mr. Speaker. This matter was discussed with the Anti-Inflation Board immediately after the hon. member's question and the board pointed out that under its instructions from parliament it could not, of course, reveal the details of any particular individual but that, in general terms, it had scrutinized the increased executive compensation. The board pointed out that the executive group in a corporation is treated as a single unit and that the average is taken for the unit as a whole. Therefore, I was reminded that if a particular individual received a substantial increase, such increase would, of course, mean a much lesser increase on the part of others in the particular firm.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Would the minister ask the Anti-Inflation Board specifically whether, in a case where one executive received a $60,000 increase, all the other executives had such low increases that the average was not over $2,400?

Mr. Macdonald (Rosedale): Mr. Speaker, I could reconfirm that but my understanding is that that would be a criterion that the Anti-Inflation Board would apply.

[Mr. Lalonde.]

AIRPORTS

OTTAWA—INQUIRY AS TO PLANS FOR IMPROVEMENT

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is asked in all political innocence of the Minister of Transport, and he would know what innocence is all about. With regard to airports, is there any plan within the next 10 or 15 years to bring the Ottawa international airport up to some of the standards which existed at other airports across Canada at least 10 years ago?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there has been a good deal of planning done in connection with the Ottawa airport. I have been looking closely at the question, although obviously issues of fiscal restraint are present in this regard as well. At least I suppose it is some consolation to those of us who have constituents arriving here from other parts of the country that they sometimes appreciate the fact that they have better facilities at home than we have here in the national capital.

* * *

TRANSPORT

POSSIBILITY OF MEETING WITH WESTERN PREMIERS ON HALL REPORT

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a question for the right hon. Prime Minister. In view of the importance of the recommendations of the Hall commission report and its significant consequences to the economic well-being of western Canadians, has the right hon. Prime Minister had any discussion or contact relating to the report with western premiers and, if not, is it the intention of the government to meet with them shortly?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this matter has been dealt with by the Minister of Transport, and I intend to let him continue dealing with it in conjunction with his opposite numbers in the provinces.

* * *

ROYAL CANADIAN MOUNTED POLICE

POSSIBILITY OF DANGER TO PERSON WHO GAVE INFORMATION ABOUT DOCUMENTS FROM PRAXIS CORPORATION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I should like to direct my question to the Minister of Justice who apparently has briefed himself with respect to the break-in in 1970 of the Praxis Corporation. In light of the minister's response to the Leader of the Opposition, namely that information was in the hands of the RCM Police who received it from a newspaper editor, may I ask the minister whether or not the informant in question who gave the information to the RCMP is concerned about his identity being revealed? Because apparently he faces the possibility of being killed if his identity is in fact publicly revealed.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I have not been briefed on that particular point.

Mr. Hnatyshyn: A supplementary question, Mr. Speaker, which I will direct to the Prime Minister, who was not originally briefed but who apparently had an interview with the Minister of Supply and Services, the former Solicitor General. In view of the fact that the Prime Minister has now spoken to the Minister of Supply and Services, does he want to change any of the answers given to questions earlier on?

Mr. Speaker: Order, please.

* * *

CANADIAN BROADCASTING CORPORATION

REQUEST THAT APPLICATION FOR ERECTION OF ANTENNA NEAR VERNON, B.C., BE EXPEDITED

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I should like to direct my question to the Minister of Communications. Would the minister use her good offices to expedite the processing of a formal application made by the CBC to her department to erect an antenna near Vernon, B.C., in order to bring full CBC radio programming via FM to the north Okanagan?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, may I thank the hon. member for giving notice of his question, which I am able to answer straight away. The delay which has taken place has been caused by difficulty in finding a proper site for the antenna. I understand a proper location has now been found and we will be able to process the application very soon.

* * *

● (1500)

AGRICULTURE

DATE OF DECISION ON ESTABLISHMENT OF CHICKEN MARKETING BOARD

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Agriculture and relates to the status of the proposed national chicken marketing board. Can the minister indicate today whether a final decision has been made, and if so, when will the announcement of this board's establishment be made?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if I heard the question correctly, the hon. member asked whether a decision has been made about a national broiler marketing board. There has been no final decision made.

Mr. Wise: Mr. Speaker, was this matter not to be considered today by cabinet committee?

Mr. Whelan: Soon, Mr. Speaker.

Mr. Alexander: Mr. Speaker, I rise on a point of order. Far be it for me to single out any member from either side of the House when it comes to yeas or nays with respect to Standing Order 43. At this time my only question is that I was listening very carefully—

Mr. Whelan: You are making politics.

Mr. Alexander: The Minister of Agriculture said that I am making politics. He has not even heard my statement yet.

Some hon. Members: Oh, oh!

Mr. Alexander: Just take it easy. I am trying to find out what the procedure is around here. Mr. Speaker, with all due respect, I was under the impression that one would have to hear either the "Yeas" or the "Nays". I did not hear a thing, so I would have to assume a person, or persons, nodded their heads in the affirmative or in the negative. In order that we on this side of the House will know what is happening in this place, would Your Honour kindly give a ruling as to whether a nod of the head in the affirmative or in the negative is the same as saying "Yea" or "Nay"? I think we must be apprised of Your Honour's ruling in this regard.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Bruce-Grey on a point of order.

Mr. Douglas (Bruce-Grey): Mr. Speaker, I rise on a question of privilege.

Some hon. Members: Order!

Mr. Speaker: Order, please. I will deal with the point of order first. The hon. member for Hamilton West has raised, by way of a point of order, whether or not the Chair ought to hear a negative voice in respect to an application pursuant to Standing Order 43. As I understand it, the application of that rule is that any person may ask the unanimous consent of the House, pursuant to the Standing Order, that the House set aside whatever other business there is and debate some other motion. The presentation of a motion for debate, pursuant to that Standing Order, requires unanimous consent. When the Chair finds the application is within the terms of the order, I put the question. If I hear—and I repeat the word "Hear"—a negative voice, then I consider unanimous consent has been withheld. I must hear a negative voice.

The hon. member for Bruce-Grey.

Mr. Douglas (Bruce-Grey): Mr. Speaker, I rise on a question of privilege which pertains to the accusation made by the hon. member for Northumberlnd-Durham that I was the one who gave a negative voice. I do not believe I did. I was talking to—

An hon. Member: You are not sure?

Mr. Douglas (Bruce-Grey): I was talking to the parliamentary secretary to the House leader at that time. I certainly

would not indicate that, because I believe the people of Cobalt should receive every possible assistance at this time.

Mr. Paproski: Who was the culprit?

Mr. Douglas (Bruce-Grey): It has been mentioned by the Minister of Finance that no application for assistance has been received from the provincial government, which is the proper route for such an application to take.

Mr. Goodale: Apologize.

Mr. Paproski: Never.

Mr. Lawrence: Mr. Speaker, I rise on the same question of privilege. I distinctly saw the hon. member shake his head very vigorously, in a negative fashion.

Some hon. Members: Oh, oh!

Mr. Lawrence: If the hon. member for Bruce-Grey says it had nothing to do with the motion before the House, I unreservedly accept that. Out of the corner of your eye, sir, you saw, or heard, the hon. member do the same thing. Therefore, you may have been under the same misapprehension as me, that the hon. member for Bruce-Grey was putting a negative point of view to that motion.

Mr. Paproski: Let us put the motion again.

Mr. Lawrence: If the hon. member says that he was not objecting, and I am sure there was no one else objecting, the motion should be put again. My feeling is there was no negative objection from any member on either side of the House to the motion put.

Mr. Hnatyshyn: I never heard a thing.

Mr. Broadbent: Mr. Speaker, I rise on the same question of privilege. I, as the mover of the motion, indeed thought the hon. member for Bruce-Grey was the person who said "No". I welcome, and entirely accept, his answer. But I should respectfully like to suggest, if there is unanimous agreement, that we revert back, and I would be delighted to move the motion again under the circumstances. I would also hope we would get unanimous agreement for this very important concern to the people of northern Ontario.

Mr. Speaker: For the benefit of the House, I would like to clarify the fact that I did not, and I never do, accept a negative voice on a motion unless I hear it.

Mr. Alexander: The Liberals said "No". Let us have the motion again.

Mr. Speaker: Order, please. On this occasion, or on any other occasion, I am not able to identify the location of a negative voice when I seek unanimous consent. Quite frankly, I am not so sure that that is not all to the good as far as the Chair is concerned. I simply put the question as to whether or not there is unanimous consent. The House knows very well there can be many reasons, having nothing to do with the substance of the motion, why a member or members on either side of the House may not want to set aside the regular business of the day to give unanimous consent. If I hear any negative voice, I consider unanimous consent has been withheld. I must always do that, at any time. If I do not hear a negative voice, I always put the question. Today I heard a negative voice, and I cannot say where it came from. I could not identify it, but I do want the House to know that I did not act upon anything less than an audible negative voice.

Be that as it may, the nature of the motion is such that the suggestion has been made that if there was a voice which was unintentionally withholding unanimous consent, or if I may have been in error in hearing—

Mr. Alexander: Let us have the motion again.

Mr. Speaker: Order, please. Bearing in mind the hon. member who raised the point initially, I wonder if I might be able to pursue it.

Some hon. Members: Hear, hear!

Mr. Alexander: I am sorry.

Mr. Speaker: It has been suggested that the House should revert to motions in order for the motion to be put again. For the House to do that would require unanimous consent to revert to that stage. Is the House agreed that we should revert to routine proceedings pursuant to Standing Order 43, to hear solely the presentation of the motion of the hon. member for Oshawa-Whitby?

Some hon. Members: Agreed.

Mr. Speaker: Is the House agreed?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

FIRE

PROPOSAL TO PROVIDE AID TO THOSE SUFFERING DAMAGE IN COBALT—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I will require a five-second delay because I sent a copy of the motion up to you.

Mr. Hnatyshyn: This is just like a by-election.

Mr. Speaker: The hon. member for Nipissing (Mr. Blais), the acting House leader.

Mr. Blais: Mr. Speaker, on that point I would like to save the hon. gentleman the time required to get the motion back. We on this side of the House are ready to accept the motion

and to provide consent. Lack of communication was probably one of the reasons—

Some hon. Members: Oh, oh!

Mr. Blais: Mr. Speaker, in effect, I have been personally involved in this matter as one who has been interested in the Cobalt situation for some time.

Some hon. Members: Order.

Mr. Hnatyshyn: No wonder we have trouble in the Post Office.

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby (Mr. Broadbent).

Mr. Broadbent: Mr. Speaker, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urges the government to provide immediate relief, within the terms of the existing federal-provincial cost-sharing arrangements, to the people of Cobalt.

Earlier, reference was made specifically to food and housing arrangements.

Mr. Speaker: Order, please. Pursuant to Standing Order 43, presentation of such a motion can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Mr. Baker (Grenville-Carleton): You fellows should apologize.

Mr. Hnatyshyn: You got caught this time.

● (1510)

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member for Bellechasse on a point of order.

Mr. Lambert (Bellechasse): Mr. Speaker, considering that I have not had the opportunity to be heard on the question of privilege which has just been raised, and which is very interesting, I would like to draw your attention to the fact that Standing Order 28 provides that every member desiring to speak is to rise in his place and draw the Speaker's attention if only to say no. Now, I often pointed out to the Chair that when a member brings forward a motion under Standing Order 43, we would be very pleased to see the hon. member opposing the motion identify himself, not only by moving his head but also by uttering an audible no, rising in his place, so that his answer is put on the record for the following day and that Canadians be fully satisfied with our deliberations. I rose on a point of order for that reason, Mr. Speaker.

Mr. Speaker: Order, please. This is a point of order which has already been raised on several occasions by the hon. member for Bellechasse (Mr. Lambert) and by some of his colleagues. According to Standing Order 28, every member desiring to speak in the House is to rise in his place. However, Standing Order 43 provides a completely different procedure since it is a matter of asking for the unanimous consent of the House. In our previous practice in this House, unanimous consent has been described and accepted as being the expression of a dissenting voice that has to be taken into account by the Chair; the "no" means opposition to unanimous consent. It is one thing to rise under Standing Order 28, but quite another to give or refuse unanimous consent.

* * *

FISHERIES AND FORESTRY

Second report of Standing Committee on Fisheries and Forestry—Mr. Béchard.

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

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,419, 1,453 and 2,461.

[*Text*]

INTRA-PROVINCIAL FERRIES

Question No. 1,419—**Mr. McCain:**

1. Has the government made any contributions to the capital cost of any intra-provincial ferry in any province in the past ten years and, if so (a) were the contributions a direct or indirect expenditure through arrangements with provincial authorities (b) what are the ports of call for each such ferry (c) in each year, what amount was paid to each such ferry (d) what is the projected amount of capital contributions to be paid to each such ferry for each of the next ten years?

2. Are any such capital cost contributions being considered for any intra-provincial ferry in any province for the next ten years and, if so (a) what are the ports of call for each such ferry being considered (b) in each year, what are the projected amounts of capital contributions being considered for each such ferry?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Regional Economic Expansion is concerned: 1. DREE has made contributions to the capital cost of intra-provincial ferries in the following provinces: (i) Under the Canada-Nova Scotia subsidiary agreement for development of the metropoli-

tan Halifax-Dartmouth area, there is a project for design and construction of two new ferries to carry pedestrian traffic across Halifax harbour, plus design and construction of new terminals and docks. (a) Costs of this project are shared 80/20 by DREE and the province, respectively. (b) The ferries can be considered part of the urban transit system and will link downtown Halifax with downtown Dartmouth. (c) Not applicable. (d) The total cost to design and construct the new system is estimated at $5.7 million. Of this amount, the capital cost of the two ferries is estimated to be $1 million each. DREE's share of the $2 million will be $1.6 million, to be spent as follows: $800,000 in 1977/78; $800,000 in 1978/79. (ii) (a) DREE is also contributing in direct expenditures through the Fund for Rural Economic Development Act with the province of Quebec. (b) Matane; (c) 1975-76: $163,725; 1976-77: $75,000. (d) 1977-78: $300,000; 1978-79: $949,020. (iii) (a) In Saskatchewan, contribution is being made in co-operation with the province to the Wollaston Lake Fishermen's Co-operative, on basis of 50 per cent of total cost $49,240. (b) the ferry will call at the road terminal at Rabbit Lake and Wollaston Lake village. (c) in 1976-77 the DREE contribution was $7,808. (d) the projected expenditure toward capital in 1977-78 is $16,812. (iv) DREE contributions are being made to three ferries in Manitoba under the Canada-Manitoba Northlands Agreement, and are based on 60 per cent of the approved capital costs. (a) Split Lake Ferry—barge; (b) Ports of call: Split Lake Community and Odei River Landing located on road terminus 45 miles northeast of Thompson; (c) 1976-77 approved budget—$97,200 (d) 1977-78 approved budget—$385,200. (a) Cross Lake Ferry—barge; (b) Ports of call: Cross Lake Community and Jenpeg (c) 1976-77 approved budget—$88,200; (d) 1977-78 approved budget—$369,000. (a) Norway House Cable—ferry; (b) Ports of call: The vessel is a cable ferry across the east channel of the Nelson River and linking road portions that are to provide access to Norway House. (c) Nil. (d) 1977-78 approved budget—$162,000.

2. No further capital expenditure is being considered.

In so far as Transport Canada is concerned: 1. Yes, the Transport Canada has made contributions. (a) They were direct contributions. (b) (i) Quebec—Lower St. Lawrence; (ii) Ontario—South Baymouth—Tobermory. (c) (i) Quebec—$3.0 million capital grant 1972/73; (ii) Ontario—$3.0 million capital grant 1972/73. (d) No amounts are projected.

2. No firm amounts are presently being considered. Discussions are underway with several governments. Buy out arrangements could result which would be much similar to the arrangements which resulted in the contributions detailed in No. 1 above in which the two provinces took over operating responsibility for a number of ferry services.

OLYMPIC COINS

Question No. 1,453—**Mr. Clarke:**

1. What was the total number and value of coins (a) minted (b) sold under the Olympic coin programme?

[Mr. Goodale.]

2. Does the difference in the number indicate how many will have to be melted down and, if not, how many will be melted?

3. (a) What is the salvage value of a melted down coin (b) what was the production cost for an Olympic coin?

4. What was the total number and value of scupltures (a) minted (b) sold under the Olympic stamp sculpture programme?

5. Does the difference in number indicate the number which will have to be melted down and, if not, how many will have to be melted?

6. (a) What is the salvage value of a melted down sculpture (b) what was the production cost of an Olympic stamp sculpture?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Finance and the Post Office Department as follows: 1. (a)—Silver, 31,675,128 valued at $153,765,784; Gold, 921,545 valued at $42,715,980; as at September 30, 1976. (b)—Silver, 24,583,489 sold for $274,515,794; Gold, 860,404 sold for $96,817,653; as at September 30, 1976.

2. No. The program is not yet completed.

3. (a) The salvage value would depend on the price received at the time of sales for the bullion recovered from the coins. (b)—Silver, $4.86; Gold, $46.35; as at September 30, 1976, and including the cost of bullion.

4. 101,251 sculptures, yielding a gross revenue of $8,849,108 were minted and sold under the Olympic metal stamp program. In addition, a nominal number of display sets for use at point of purchase in advertising, etc., and damage replacement sets, were minted.

5. No metal stamps, except for display sets and damaged sets, were, or will be, melted down.

6. (a) The salvage value of a melted down sculpture is the value of the metal, i.e., gold, silver and bronze. This value will vary daily, depending on the daily market value of these metals. (b) The production cost of an Olympic stamp sculpture varied from series, and ranged from: $8.50 to $13.04 for sets of 3 bronze sculptures; $18.82 to $26.92 for sets of 3 silver sculptures; $404.66 to $509.18 for sets of 3 gold sculptures.

ECONOMIC SECURITY EMPLOYEES' NATIONAL ASSOCIATION IN QUEBEC

Question No. 2,461—**Mr. Fortin:**

1. Did the National President of the Economic Security Employees' National Association (ESENA), during the last week of March, 1977, or thereabout, meet with the Quebec officials representing the administrators in charge of the UIC-DMI merger, officials of the Unemployment Insurance Commission and of the Canada Manpower Centre and, if so, was the Quebec Union representative invited and, if not, for what reason?

2. Was the matter of Quebec workers wanting to dissociate from the National Union and requesting separate certification from that of ESENA raised during the meeting?

Hon. Bud Cullen (Minister of Manpower and Immigration):
1. (a) No. (b) Not applicable. (c) Not applicable.

2. Not applicable.

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 1,515 could be made an order for return, that return would be tabled immediately.

Mr. Hnatyshyn: Mr. Speaker, perhaps the parliamentary secretary would explain why this particular response has to be made an order for return. The question has been answered on previous occasions and the answer has been published in *Hansard*. I am very interested in it, and I wish to use it for comparative purposes.

Mr. Goodale: I should have pointed out that the reason for answering the question in this way is the bulky nature of the answer. As hon. members may have observed while the return was being taken to the table, it is a thick and bulky document.

Mr. Hnatyshyn: It was printed last time.

Mr. Speaker: Is it the desire of the House that question 1,515 be deemed to be made an order for return?

Some hon. Members: Agreed.

[*Text*]

FOOD AID TO THIRD WORLD BY CANADA

Question No. 1,515—**Mr. Hnatyshyn:**

1. In regard to food aid for third world and developing countries, for the year (a) 1975, (b) 1976, (i) what was Canada's contribution, (ii) to which countries did Canada contribute, (iii) in each case, what food products were contributed and at what dollar value?

2. What was the (a) administrative cost, (b) cost of distribution (c) value of the food product?

Return tabled.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BRETTON WOODS AGREEMENTS ACT

AMENDMENT TO INCREASE SUBSCRIPTION TO INTERNATIONAL MONETARY FUND AND INTERNATIONAL BANK FOR CONSTRUCTION AND DEVELOPMENT

Hon. Donald S. Macdonald (Minister of Finance) moved that Bill C-18, to amend the Bretton Woods Agreements Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Bretton Woods Agreements

He said: Mr. Speaker, the legislation before us today to amend the Bretton Woods Agreements Act aims to ratify the recently proposed amendments to the articles of agreement of the International Monetary Fund and to make them part of Canadian domestic law. The proposed amendments constitute the first major reform of the articles of the fund and represent a significant step in the evolution of the international monetary system. The bill also provides for acceptance of Canada's quota and subscription increases in the International Monetary Fund and the International Bank for Reconstruction and Development, or the World Bank. This is an important further step in the efforts which have been undertaken over the past six decades to try to work out in the international market an effective replacement for the role the gold standard played in monetary exchanges before the First World War.

Before that war was over, the first move in this direction was made with the publication of President Wilson's famous 14 points. At the Versailles conference which followed, an attempt was made to arrive at an international legal order which would govern economic relationships between states, but neither the treaties of Versailles nor of St. Germain-en-Laye were effective in bringing about the desired general improvement in the world monetary system. Indeed, the main feature of the interwar period with regard to international payments was, of course, the reparations question as it affected Germany, though in those decades the system was modified to some extent for instance, by the Dawes plan. With the worldwide depression in 1929, attempts to arrive at some collective world order in the economic field came virtually to an end and the period up to the beginning of the Second World War was one of economic autarchy.

After the conclusion of the Second World War there was, of course, an attempt—and a far more successful attempt—to create a number of institutions on the international scene for the purpose of establishing international economic order. There was a revival of the International Labour Organization, the only one of the League of Nations functional organizations which survived the war. Also, of course, there was the founding of the United Nations itself and the establishment of such specialist bodies as the World Health Organization and the Food and Agriculture Organization. The impetus with regard to a better world economic order was founded on the joint Anglo-American statement which emerged from the Atlantic Conference of 1941 between Prime Minister Churchill and President Roosevelt. At that time, the two leading countries on the western side in the Second World War sought to achieve a definition of multilateralism which would be useful in postwar reconstruction. The fourth and fifth paragraphs of the Atlantic Charter reflect this particular effort.

• (1520)

Out of that initiative, institutions such as the International Monetary Fund and the International Bank for Reconstruction and Development came into existence, as well as initiatives or the creation of the International Trade Organization, which was stillborn but which was followed by the General Agreement on Tariffs and Trade. The two prime architects of the

Bretton Woods Agreement were the famous British economist, Maynard Keynes, and his American counterpart, Harry Dexter White. Richard Gardner, one of the leading students of this period, has written that the two men joined in their aim to promote a system of multilateral payments in which external equilibrium could be maintained at levels of domestic full employment. Their purpose was to provide members with additional international liquidity which would provide a protective cushion against temporary economic disturbances and make unnecessary the resort to illiberal internal or external policies.

The fund's articles of agreement have provided a legal and financial framework, just as the architects of the system had hoped, based on fixed exchange rates or par values, and these arrangements have continued to guide the international monetary system since the agreement was signed at the Bretton Woods conference in 1944. However, in recent years, particularly since the onset of the decade of the 1960s, it has become more and more evident that the par value system, as well as some operations of the fund, were no longer in tune with present-day international economic reality and with the needs of modern states. Canada in particular experienced difficulties in adhering to the rigid and anachronistic code. These difficulties led to the floating of the Canadian dollar in the 1950s and, again, since 1970.

As these problems surfaced, it became clear that the international monetary system as constituted by the articles of agreement, as well as the financial operations of the fund provided for by these articles, would have to be reformed and brought up to date. Thus, starting in the early 1970s the fund began to take a long and hard look at how such a fundamental reform might be achieved. A ministerial committee of 20 was created to seek a global reform of the monetary system. However, rapidly changing events such as the energy crisis and worldwide inflation made it impossible to achieve that aim. Accordingly, an evolutionary and more pragmatic approach to reform was adopted through the successor of C-20, the interim committee which, through much of its early years was chaired by my predecessor, the Hon. John Turner.

A reform package was finally agreed to at the interim committee's meeting in January, 1976, in Kingston, Jamaica, and this is the reform package which is now included in these amendments. Before the amended articles of agreement can come into effect, they must be ratified by 60 per cent of the fund's member countries with 80 per cent of the voting power.

These amendments to the Bretton Woods Agreements Act will, in addition, accept the increased quota of Canada in the fund, and increase it from special drawing rights $1,100 million to SDR $1,357 million as part of a general increase of subscriptions to the fund, from SDR $29 billion to SDR $39 billion which was proposed along with the amendments of the fund's articles. They represent, as well, an increase in Canada's subscription to the other Bretton Woods organization, the World Bank from U.S. current $1,136 billion to U.S. $1,342 billion. As only 10 per cent of our subscription to the World Bank is paid in cash, this will represent an out of pocket contribution of about $20.6 million in Canadian dollars at this time.

The highlights of the new amendments are the new provisions on exchange rates which allow members to choose the arrangements which they wish to apply, the abolition of the official status for gold and the broadening of the scope of the IMF's surveillance powers to cover all policies that affect the external sector and not just exchange rate practices. In addition, some of the amendments improve the fund's operating structure and financial viability while others simply clarify the meaning or bring the wording up to date.

According to article I of its articles of agreement, the fund is charged with facilitating the expansion and growth of world trade and payments as a means of raising world standards of living and of fostering economic development. The fund is to promote and ensure stability and order with respect to exchange rates as well as to establish mechanisms for balance of payments assistance to enable member countries to correct temporary imbalances with a minimum of disturbance to the international monetary system. Accordingly, its assets are available for short and medium term financing to members faced with temporary balance of payments difficulties.

The general objectives of the fund are unchanged in the amended articles, although the means by which the fund and its members are meant to co-operate to achieve these objectives have been changed in key areas, particularly exchange rates, the role of gold and the financial operations of the fund. The fund's ability to enforce such co-operation with an international code of behaviour is based on its power to grant short and medium term credit under appropriate policy conditions to members.

Originally, the fund's membership consisted of 45 countries, as recognized in article II, section 1 and set out in schedule A of its articles of agreement. Provision was made in article II, section 2, for other countries to join, and currently its membership is made up of 128 countries, 100 of which are classified as developing countries. With the quota increase now proposed, total subscriptions to the fund through the years will have been increased to SDR $39 billion, which is about U.S. $45 billion at current rates of exchange, from original subscriptions totalling U.S. $8.8 billion; that is to say, in 1944 dollars. The bulk of its funds are obtained through quota subscriptions, although the IMF may borrow to help finance its operations.

The system as envisioned under the old articles required a member to declare and maintain a par value for its currency in terms of gold and to convert foreign official holdings of its currency into gold or the currency of the holder at the latter's request. When payments imbalances between countries produced a supply and demand situation that was not in balance at the existing exchange rates, governments intervened in the exchange markets to defend the par value. These interventions, in effect, financed the payments deficit or surplus. Although each country holds its own official reserves of gold and foreign exchange for this purpose, the members also draw upon the pool of other countries currencies in the fund.

The fund's financing operations take the form of a transaction. A member drawing on the fund uses its own currency to purchase foreign exchange from the IMF. It can purchase an amount equal to the gold part of its quota virtually automatically, and can purchase additional amounts, known as credit tranches, under progressively stronger policy conditionality and stiffer service charges. Borrowers must repay their loans by repurchasing their currency from the fund within three to five years.

This question of conditionality has been one of the questions that has excited considerable attention and concern at meetings of the interim committee. There is concern that the IMF bureaucracy in its application of the articles of agreement may fail to take account of the social and economic pressures which are weighing on the member countries, making applications for further balance of payments assistance under the fund. I, for one, share the concern which has been expressed by a number of ministers of finance in other countries that in the administration of its new powers the fund should seek on every occasion to remain sensitive to the difficult circumstances which member countries, and particularly developing member countries, are facing at present in an era in which there has been a dramatic increase in energy prices, and at the same time for some of the same countries a drop in export earnings. On the question of exchange rates, a new provision on exchange rates creates a general obligation for members to pursue policies conducive to a stable system of exchange rates.

● (1530)

Members must collaborate with the fund and with other members in this regard by pursuing domestic and external policies that are internationally responsible. Members are otherwise free to choose the exchange arrangements that best suit their circumstances. The fund has been given a new legal framework for the surveillance of the variety of exchange agreements that members adopt.

The exchange rate article also provides for a possible return to a par value system. If an 85 per cent majority in the fund believes it appropriate, the fund can enact a new system of fixed, but adjustable, exchange rates. However, the provisions clearly give a country the right to continue with any other exchange arrangement or to opt out of a reinstated par value system while still fulfilling the general obligations of good conduct. It is that exception which is of particular relevance from the standpoint of Canada, for Canada, as I have already said, is a country which, under the circumstances of our economy, has preferred to follow a floating exchange rate system.

There has been, in the international community, widespread experience with floating during the oil crisis, and the ability of the financial system to operate efficiently and viably in this atmosphere has helped support confidence in the arrangement. Canada was in the vanguard of the movement to float currencies and has naturally been a strong supporter of the swing back to greater flexibility, which is indicated by these amendments.

The provisions of the new article on exchange rate arrangements is therefore very much in line with Canadian thinking and Canadian interests. As I have said, the amendment is fully satisfactory from the Canadian point of view. It gives the fund an appropriate role in monitoring financial practices, yet allows any government to pursue a responsible exchange rate policy suitable to its own circumstances. Necessary adjustments of exchange rates now have the potential of taking place swiftly and relatively smoothly, and thereby of absorbing the impact of payments deficits without forcing governments to intervene massively.

Among the important provisions in the amendment is a provision with regard to gold. The abandonment of par values, plus the problems of reserve creation and control, pointed to the need to phase out gold progressively from the monetary system. The provisions of the comprehensive amendment and the associated agreements on gold will greatly reduce the role of gold by removing its official status and allowing it to be traded like other commodities. The new articles eliminate the function of gold as a common denominator of par values. They abolish the official price and give members the authority to buy and sell gold at market prices. They eliminate all obligations on members to make payments of subscriptions, charges or re-purchases in gold to the fund. Thus, gold will no longer have a favoured role at the heart of the international monetary system, although it will still retain a monetary role for as long as nations hold it as part of their reserves. Through the new collaboration clause, members must undertake to ensure their policies with respect to reserve assets, including gold, better to serve international liquidity objectives. Finally, by an 85 per cent majority the fund may choose to dispose of its gold holdings.

As part of the agreement on these changes, the fund is to dispose of one-third of its gold holdings, half of this 50 million ounces being returned to members at the old official price of SDR 35 per ounce and half being sold on the market for the benefit of the least developed countries. So far, starting in June, 1976, the fund has held three auctions of its gold for the latter purpose. Profits from such gold sales will be used to assist the poorest developing countries meet their balance of payments needs. The fund has been pressed by Canada to make certain that the auctions are carried out with a minimum of disturbance to the regular production and sale of gold and with a minimum disruption to the market.

The reduction of the role of gold in the international monetary system has been in line with a position which Canada has consistently advocated, and the reduction of the role of gold seems to us a necessary step toward bringing liquidity creation under international control. We are satisfied that the arrangements in the new articles will lead toward this end.

In addition to those specific measures, the amendments now before the House contain quite a number of technical amendments with regard to detailed problems of application of the articles and in particular they confer upon the fund greater responsibilities with respect to the surveillance of balance of payments and other problems. On these matters I would be

more than happy to engage in a full examination and study with the committee when the bill receives second reading.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in speaking to this bill I must say that I find it remarkable that our minister has indicated how much the government endorses the amendments which are before us today with respect to changes in International Monetary Fund activities. For example, I believe the minister stated that the amendments—he was referring specifically to certain fixed rate exchange amendments—are fully acceptable to Canada. In short, without giving very many reasons as to why we should be asked to accept these amendments today, the government is obviously satisfied in its own mind that the amendments should be rubber-stamped and expedited through this House as quickly as possible.

While many of us may be overwhelmed by the subject matter before us today which is covered by Bill C-18—that is, amendments to the Bretton Woods Agreements Act—I suggest it is imperative that all hon. members of this House participate in a meaningful debate on this matter. In this connection I think it is regrettable that not one Liberal member chose to participate in the debate which dealt with the Customs Tariff revisions which were before the House last week. Not one Liberal member—other than the minister in each case—chose to join in the debate with respect to the excise tax amendments which were before this House, and I think it will be most regrettable if not one Liberal member chooses to speak on this bill which is before us today.

Surely hon. members opposite have some views as to what is the proper international monetary stance for Canada to be encouraging at the present time. Surely, if they are completely in agreement with the minister and with the other members of the cabinet, they could at least indicate to the House the nature of their agreement and why they feel we should be asked to support the amendments before us. There is little point talking domestically about how we intend to control inflation, how we intend to lessen unemployment, how we will ensure meaningful real growth in our economy, what is the proper fiscal and monetary stance for our country, whether the AIB is really needed, what course we should be following with respect to the GATT negotiations in Geneva, whether it is right for us to be borrowing so much exernally and, finally, why we have the trade deficit we have today in end products, for example, which has widened to a startling $10 billion, without first taking a good, hard look at Bill C-18 and its effect with respect to proposed amendments to the IMF.

There is little point debating these subjects unless we first debate what type of international monetary system we live with, how it should be changed to our advantage and, specifically, how any change in the international monetary system should be made to ensure that it is in Canada's best interests. Before we ask the nation to endorse these amendments, we owe it to our constituents to have a full debate first in this House and in committee with respect to the matters before us.

[Mr. Stevens.]

• (1540)

In leading off on behalf of the official opposition, I suggest there are ten points that we should be considering before we report this bill back from committee. First, since the establishment of the Bretton Woods Agreements 33 years ago, our international monetary system has attempted to free itself from any form of discipline. Unfortunately, Canada, both domestically and internationally, in the last ten years has been one of the most irresponsible partners in shedding such traditional constraints. As a result of this international lack of restraint, we find that the western industrialized world is being subjected currently to the highest interest rates since the middle ages. Let me reiterate that: I believe sometimes we grow accustomed to such things as 9, 10 or even 12 per cent interest rates without realizing that the phenomenon of high interest rates is truly an abnormal phenomenon and that we have not had, in the western civilized world, such high rates for the past 600 or 700 years. That is the first point I wish to make. Historically there is very little doubt that the fall of interest rates such as occurred in the western world from the thirteenth century onward reflected a healthy growth in our civilization and denoted a real growth for all concerned. I would point out that there are a number of phases where interest rates have gone up—not to the present height, but higher than normal. This has always been associated with unstable political and economic conditions. Likewise, rises in interest rates denote a civilization in trouble as occurred in Roman times and earlier. With interest rates, particularly in Canada, at such record heights, somewhere in the 9 per cent range, I think it is important that we compare that 9 or 10 per cent range with the 4 per cent range of interest rates in the world's nine strongest nations, Canada included, over the past 200 years. I believe we should accept such high interest charges as a red flag indicating danger, certainly for this country and, secondly, for the western industrialized world.

Second, in our participation with respect to the International Monetary Fund the impression has been left that in Canada we do not have an independent mind. I believe the speech of the Minister of Finance (Mr. Macdonald) today brings this out most vividly. There is no questioning; everything is acceptable that has been put before us as far as the proposed amendments are concerned. There is no uncertainty in the minister's mind about whether the amendments before us are totally acceptable to Canada. He does not give the pros or cons. In short, it appears that we have simply followed the lead of the United States: if it is good for the United States, the assumption is that it is good for Canada. This is unfortunate, in that in dealing with this matter there is no doubt that the interest and objectives of the United States are often quite different from ours. It is true, we share this great continent together, but this does not mean that automatically what the United States wishes to change with respect to the International Monetary Fund is necessarily good for us.

We should remember, for example, that the United States is one of the most efficient producers in the world. It is, therefore, natural, being such good producers, that they want an

open world so that they can sell their produce. This, if allowed to happen, and coupled with the equal production efficiency of Japan and Germany, would devastate this country as a manufacturing nation. This trend is reflected in the economic review tabled by the Minister of Finance last week, where it is pointed out on page 60 that our trade deficit in end products rose from $3.6 billion in 1971 to over $10 billion—the figure I referred to earlier—in 1975 and 1976. In sharp contrast, the United States, Germany and Japan had surpluses in their comparable and product accounts.

Third, the government has chosen a policy of relative secrecy with respect to negotiations which have led to the amendments before us. Unfortunately, they have chosen to be secret about our GATT negotiations in Geneva as well. This shroud of secrecy surrounding government activities is contributing to the lack of business confidence so prevalent today. How can we expect labour, small businessmen and farmers to co-operate if we do not take them into our confidence with respect to the government's targets and objectives? Only last Friday we had an example of the government's tendency to be non-committal with respect to our future or the future the government hopes to chart for us. When asked during the question period if the government would follow the lead of President Carter's chief economic adviser, Mr. Charles Shultz, and announce a target date for bringing the Canadian budget into balance, the Minister of Finance only stated that he admired the courage showed by Mr. Shultz but he, himself, did not care to be so precise.

For years the Americans have published their long-term objectives with respect to inflation, unemployment, interest rates and the like, while our government officials merely dodge the issue, leaving the impression that the Americans know where they want to go and what they want to achieve, while our officials are totally bewildered.

Fourth, this government likes to cite the energy pricing crisis as being troublesome in Canada. It is true that the oil producing countries as a whole had current account surpluses of about $46 billion in 1976. But today and earlier it is interesting to note that the Minister of Finance forgot to point out that we are an energy producing nation and that every year since the so-called crisis in pricing we have produced a trade surplus in energy by selling at high prices. Last year, for example, our surplus was about half a billion dollars on energy trade alone. How strange that we are constantly told that energy pricing is creating domestic problems in Canada, when in fact we are the beneficiaries, as far as trade is concerned, in high-priced energy that is being sold throughout the world.

I suggest that energy pricing has a minimum effect as far as trade is concerned, that is, whether we are doing well or poorly in terms of world trade rather than ending up as we did in 1975 with the highest current account trade deficit of any of the seven major industrial nations; and then rationalizing the situation. It is time government supporter recognized the degree of severity of that deficit. Canada, in short, had the highest current account trade deficit of any of the seven major industrial nations, including the United States, Japan, France, Germany, Italy, the United Kingdom and ourselves. In 1976 we were the second highest in our deficit, trailing only France.

Fifth, I would like to suggest that the world's real growth expansion in the past few hundred years has been subjected to monetary discipline. First it was gold that was the agreed standard, but as it shackled those who wished to spend, it was downgraded until now, in the amendments before us today, gold has been downgraded to virtually no role. Let us face the fact that the chief reason those who are proposing our present monetary system have discarded and downgraded gold is that they do not like to be disciplined by the effect gold has when our monetary system is related to it. I noticed that in his earlier remarks the Minister of Finance, in effect, endorsed the downgrading of gold as far as our international monetary system is concerned. As the world's third largest producer of gold, are we right in accepting this relative abandonment of a world standard that has been with us throughout history?

• (1550)

The more the world depends on the United States dollar and the use of the SDR, the more the world leaves itself open to the irresponsible expansion of money. The amendments to the Bretton Woods Agreements being debated today will in many ways leave the world's monetary system open to domination by the United States monetary approach. If the United States inflates, the world will tend to inflate. If the United States restrains, the world will tend to be restrained. In short, international monetary leaders can print money, but they have not learned how to produce gold, which is why recourse to gold is resisted.

We in Canada must ask ourselves if this system best suits our interests. Is the complete abandonment of gold in Canada's best interests? It is not that gold is so important. Its importance, rather, is that its use involves a built-in element of restraint. One asks, given the new, liberalized use of SDRs and other forms of international currency, what will impose a tolerable degree of restraint on governments? Given the opportunity, most governments will sidestep restraint, as our own government has. You will recall that it doubled this country's money supply in the six-year period ending last October because it found that course politically beneficial.

Sixth, while we have been referring to the structuring of the international monetary system and to the fact that world leaders appear to be seeking relative freedom to "gimmick" the monetary system at will, I suggest it is important for the government to indicate to the House how it plans to act responsibly in the midst of possible world irresponsibility. By being restrained in this country, by running our own system prudently, we can turn international irresponsibility to our advantage, as Switzerland has done, for example. Swiss currency has appreciated in relation to other major currencies, while ours has depreciated. In short, to the degree other nations choose to create inflation domestically, we in Canada can improve our position by deliberately containing inflation which, in turn, will be of benefit to us internationally.

It is absolutely erroneous to say that a nation must inherit inflation created outside its boundaries. The fact is that Canadian inflation was manufactured by the Bank of Canada under the instructions of the Canadian government. There is no doubt about it, although the government likes to confuse the issue. Such inflation need not be imported. Actually, it will only be imported by a government which chooses to avoid fiscal and monetary responsibility, as the minister well knows.

Let me put it this way: If the minister goes to the local pub and sees some people who have drunk too much and are, therefore, in a state of drunkenness, that does not mean that he, himself, must get drunk. But that is the idea he wants us to accept when he talks about world inflation, or inflation in other nations. When the minister speaks of inflation, which is only another form of a binge at the local world pub, the minister likes to pretend that if other countries are giddy, we, somehow, must become giddy too. That is not true. Unfortunately, the minister has not said today what steps he intends to take to make sure that despite any inflationary tendencies which may develop internationally we shall curb inflation in this country.

Seventh, not only has Canada tended to acquiesce in the world's credit explosion, but we have reached the peak in foreign borrowings. I wish to read three passages from the Economic Review to which I have referred. The parts I shall quote are relevant to Canada's present-day position in the international world. The first passage reads:

> The substantial increase in Canada's current account deficit has been matched by an increase in net over-all capital inflows, particularly through an increase in new issues of long-term Canadian securities abroad. This resulted in a rise in the book value of Canada's balance of international indebtedness (including increases in earnings accruing to non-residents) from $29 billion at the end of 1971 to $48.5 billion at the end of 1976.

Mr. Speaker, to sum up, according to the minister's own economic review figures our total foreign debt increased by almost $20 billion between 1971 and 1976 over the previous $29 billion level. It took Canada 104 years to run up a foreign debt of $29 billion, but in five years—between 1971 and 1976—the government, through sheer irresponsibility, increased that foreign debt by $20 billion. I continue quoting the first passage:

> As noted earlier . . . the increase in indebtedness has caused interest payments to non-residents to increase at a rapid-pace during the past five years, thereby making turn-around in the current account more difficult to achieve.

The second passage I wish to quote reads as follows:

> The net capital inflow of $4.9 billion in 1976 was marginally higher than in the previous year, reflecting a steep rise in long-term capital inflows and an off-setting decline in the balance on short-term capital. The net long-term inflow of $7.5 billion was up $3.4 billion from the previous year—

To summarize, that passage refers to the inflow of long-term capital, capital which will not be repaid for 5, 10, 15 or more years. Such capital inflows of $7.5 billion last year increased by $3.4 billion over the level of the previous year. The final paragraph I wish to quote reads in part:

> —net new issues placed abroad, including both foreign currency and Canadian dollar issues, accounted for 60 per cent of all net new marketable issues by Canadian borrowers, compared with 45 per cent in 1975.

[Mr. Stevens.]

I emphasize that these are not our own figures or the figures of some outside group. They represent the government's own admission of the extent of this country's foreign borrowings. The impact of this borrowing binge will be felt for generations in Canada. It will be felt in particular as the money has been substantially used to finance consumer purchases rather than capital projects which might have been used to improve our international trading position in years to come.

As we know from Canadian history, initially we borrowed large sums from Great Britain and certain other nations. But we did not borrow to cover current account trade deficits, which is now the case. We borrowed money to build our railways and to build power installations which in turn helped develop our country. The prosperity which resulted gave us the wherewithal to pay back the debt. That is not happening now. We are not doing this with respect to the debt we are now incurring internationally.

Eighth, the drift to non-fixed exchange rates has been encouraged or at least supported by the International Monetary Fund, as the minister said today. We in Canada have been in the vanguard in asking for free exchange rates as opposed to the traditional fixed approach. This, coupled with our tendency to borrow so extensively to cover our inadequate trade position, leads to interest rate crunches. Already we have had our first run on the Canadian dollar. Hon. members will recall last November. We were lucky. The minister covered up and we were sheltered from the true impact as to what actually occurred in November and December of last year. Here, again, the Economic Review discloses that in November of that year our United States dollar reserves fell by $758 million. That, Mr. Speaker, is a tremendous fall for our reserves in any one month, bearing in mind that our total reserves are less than $4 billion. The review points out that the rise in December was roughly comparable to the decline in November. They state at page 65:

● (1600)

> The Canadian dollar was under heavy downward pressure in November but recovered in December.

When we get to committee, I hope we can be furnished with sufficient information so that the Canadian public will be fully apprised of exactly what happened in November and December during that mini-crisis. If we can get that information we may be better prepared for future runs on the Canadian dollar which will certainly occur if the Canadian government persists in their "Alice in Wonderland" approach to international finances. With our resources, which on a per capita basis are greater than the resources of our rival industrialized nations, it is inconceivable that we should some day have to be bailed out by the International Monetary Fund like the United Kingdom has been. However, that is certainly what will happen if we continue on our present path.

Ninth, the minister has not given us today, and certainly has not earlier given any indication whether the International Monetary Fund or any other international agency has given guidelines to this nation or any other nation which are to be

followed domestically by member countries with respect to monetary increases. In Canada the increase in our monetary aggregates went on virtually unabated in 1975 and 1976 when, we are told, we were in a period of so-called restraint.

Here are the facts: M-2, which is currency and privately-held Canadian deposits, jumped 17.5 per cent in 1975 and 17 per cent in 1976. With such expansion, and with our rapid expansion in the government sector, the Anti-Inflation Board activities have become an exercise in futility. Worse still, the AIB appears simply to be a convenient scapegoat to allow the government to pretend to the Canadian public that they are doing something meaningful about inflation.

Surely we are entitled to get from the minister some indication as to whether such monetary increases are within, or without, suggested word guidelines. Is it in the current thinking of the International Monetary Fund, for example, that a country such as Canada should expand its most basic supply of money by approximately 17 per cent in a year? Is it really being fair to the Canadian public, with such expansion, to be stating that somehow restraint is the order of the day?

The tenth point I would like to make is that while we have already cited Canada's high interest structure, perhaps the most ludicrous thing of all is that we, a high-interest rate country, is in the vanguard of making low-interest loans directly or indirectly throughout the world. In the World Bank annual report for 1976, which of course includes funds from this country, billions of dollars are listed as going out to various countries or organizations at interest rates substantially below the rates that we must pay when Canadian identities borrow abroad. In appendix H to the World Bank annual report for 1976 records are shown for hundreds of countries. The loans I would like to refer to are those listed for the International Bank for Reconstruction and Development which, of course, is a World Bank, International Monetary Fund activity. They indicate that the current rates in the year under review were 4.5 per cent to 8.85 per cent. The countries they list include, for example, Bolivia, Chile, the Congo, Fiji, Peru and Turkey. Virtually any country that you want to think of is listed as getting loans in the range of 4.5 per cent to just slightly under 9 per cent.

Perhaps the minister can explain how we have gotten into a system where such countries are entitled to credit at those rates when, at the behest of the federal government, our provinces have to borrow abroad at interest rates of 9, 10, and even 11 per cent. Perhaps the minister can also explain why, in this international context, our Export Development Corporation makes loans amounting to hundreds of millions of dollars with interest in the 8 per cent range, yet we are told there are no funds available to allow the government to meet their election promise of supplying $290 million to help urban transit in Canada. Why the double standard?

With one of the highest interest rate structures of any of the industrialized nations, why do we feel there is nothing inconsistent about giving loans with interest rates substantially below the rates we are requiring Canadians to pay domestically?

It is perhaps axiomatic that the needs of international commerce change more rapidly than our ability to cope with them. In the past few years, for example, we have seen massive and, as I have said, disproportionate shifts of wealth away from the industrialized nations and into the coffers of the oil exporting nations. As I have already mentioned, let us not forget that we are an oil exporting nation.

It is estimated that in 1976 the OPEC countries may have sustained a combined surplus as high as $46 billion, while the OECD nations stumbled along with a current account deficit of $20 billion. May I again remind hon. members that of that $20 billion sustained by OECD countries, over 20 per cent is Canada's deficit, that being the $4.3 billion that we ran up in our current account trade deficit last year. It is within this context of a rapidly changing world order that the amendments to the Bretton Woods Agreements were drafted. It is within this context that we, in dealing with Bill C-18, must attempt to determine just where the world is heading today and where Canada will fit into any new order.

There is growing concern that our international monetary system is faltering today and that increased flexibility in exchange rates may be partly at fault. If I judged his remarks correctly, the minister almost takes credit for the relative free floating of exchange rates in the world. I would point out to him that Dr. F. Leutwiler, president of the board and general manager of the Swiss National Bank, had this to say about the current state of international monetary conditions:

> The breakdown of the formerly stable monetary system was not caused by inadequate rules as may perhaps be presumed, but eventually by the inability to live up to the disciplinary constraints of the parity system . . .
>
> It is therefore in no way surprising that the monetary reserves of the western world increased in 1974 by no less than $37 billion; at the end of 1975 they amounted to a total of $230 billion. This is roughly 2½ times as much as in 1970.

● (1610)

Let me repeat, that, Mr. Speaker—by 1975 international monetary reserves went up 2½ times what they were in 1970. To continue with Dr. Leutwiler's quotation, he states:

> Thus, apart from inflationary domestic money creation as a seemingly easy means of evading the constraints of stability policy, international money creation—no less inflationary—was also practised.

He concludes:

> It is obvious that deficit financing via borrowings is not practicable over a prolonged period of time.

Theoretically, Mr. Speaker, there are many advantages to flexible exchange rates. They dispense with the necessity of keeping large exchange reserves. They allow changes to take place gradually and they make speculation more difficult. But that is theory, Mr. Speaker. In practice, many of these advantages fail to materialize. We have had rather violent changes in a number of currencies, such as the lira and the pound, and there is a danger that a growing number of weak currencies, our own potentially included, may have further crisis periods to go through.

A greater flexibility in our current system of floating exchange rates has not led to the gradual lifting of controls, as many had hoped. Rather, it may have contributed to the

breaking up of the world into currency blocs. Economists such as France's Michel Lutfulla envision four evolving currency blocs: the United States dollar zone, the Japanese yen zone, the European snake centred around the Deutschmark, and possibly an Arab oil-producing bloc. Rather than facilitate the expansion of worldwide trade and investment, these blocs may indeed herald an age of trade within, rather than between, the major zones. The implications for Canada are surely obvious. Where will we belong? Will we be aligned to the United States currency bloc, largely as a result of our substantial trade with that country, or are we to develop the so-called third option and align ourselves to Europe and Japan?

There is also growing concern in many quarters over the ability of the International Monetary Fund to meet the tremendous demands that are made on it. The United Kingdom recently received $3.9 billion from the IMF. Mexico, too, negotiated a loan of nearly $1 billion, causing many analysts to speculate on whether the IMF has enough reserves to cover even these loans, much less meet the demands of the future. Will Canada be called upon to make increasing commitments to the fund? I suggest that this is something we must explore more fully in committee. On this point we must ask ourselves to what extent, and to what lengths, we are prepared to bail out other countries. Hon. members should bear in mind that fluctuating currencies and supernational currencies, such as SDRs, lend themselves quite handily to camouflaging the true cost of foreign assistance.

It will be especially difficult for us to determine the extent to which our so-called aid to the companion bill to Bill C-18, Bill C-5, would remove from parliamentary scrutiny the Auditor General's report on the foreign exchange account. You will recall, Mr. Speaker, that that bill that is C-5 contemplates that that report will now go to the Minister of Finance, as opposed to the parliament of Canada.

Even if we can determine the extent of our assistance, the question remains, how far should we go? Does it make any sense, for example, that we borrowed abroad, as I have indicated, in 1976 at record levels and at record interest rates, and we then turn around and lend $300 million to Peru at greatly reduced rates? The World Bank annual report to which I have referred states that in the first half of 1976 Canada borrowed abroad $5.3 billion, fully 42 per cent of that taken down by all the world industrialized nations combined. Let me re-emphasize that. According to the World Bank, in the first six months of 1976 Canada's borrowing was 42 per cent of all the world's external borrowings combined. We borrowed 3½ times the amount borrowed by the second largest borrower, France, and more than Austria, Belgium, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom and all the multinational corporations combined. We borrowed nearly 29 times the amount borrowed by the United States in the first half of 1976.

Those figures are to be found in the World Bank report to which I have referred. Last year, Canadians took down more than $8 billion abroad in long-term debt alone. At an average rate of 9 per cent, we added to our national service charge more than $700 million. This is in addition to our total foreign indebtedness, which in 1975 totalled $43 billion. The service payment on this amount alone costs Canadians about $2 billion, according to recent estimates made by the C.D. Howe Institute. This is a record for Canada, and possibly even for the world, as we accounted for approximately 20 per cent of all new international bond issues in medium-term Eurocurrency credits last year. This year it is estimated that our borrowing will be down to perhaps $4.5 billion or $5 billion, but based on current increases in foreign debt costs, Canadian exporters must increase their trade surpluses by about $500 million each year just to keep our over-all current account deficits from getting worse.

Here we are caught in a vicious dilemma. We have been mortgaging our future at such an alarming rate that we are getting to the point where there is no easy way to extricate ourselves. The competitive ability of our Canadian manufacturing industries, already reeling from high labour costs, low productivity and other disadvantages, can hardly afford the added penalty of a Canadian dollar kept artificially high due to such large influxes of foreign capital. Yet if our dollar were to depreciate by any substantial amount, our soaring foreign debt costs would increase all the more, making it that much harder to reverse the large current account deficits of recent years. In fact, one official of the C.D. Howe Institute has warned that if we were to continue borrowing at recent levels we would eventually be facing such bad balance of payments problems that the IMF would have to become involved in Canada, as I have already said.

In dealing with this general subject, Mr. Speaker, I think all members would be interested in a speech given by J. Anthony Boeckh at the Financial Analysts Federation annual conference held May 1 to 4 of this year. Mr. Boeckh listed for the conference five symptoms of what he called a "secular malaise". The first was price inflation; the second, public sector deficits; the third, balance of payments deficits and weak currencies; the fourth, foreign debt; and finally, high interest rates. Those were the five headings set out by Mr. Boeckh, and I suggest that we have inherited all five problems in Canada. On the subject of price inflation, Mr. Boeckh had this to say:

> It is now over three years since the big OPEC oil price rise and the peak in global money and price inflation occurred, yet only Germany, Switzerland and the U.S. have brought price-inflation down to 5 per cent or less . . . In countries such as Canada the inflation has been held to around 8 per cent only by wage-price controls and an overvalued currency.

On the subject of public sector deficits, Mr. Boeckh stated that public sector borrowing as a percentage of the gross national product is currently around 8 per cent in Canada, in contrast to Germany where it is about 4 per cent, and the United States and Japan where it is about 3 per cent or less. Dealing with balance of payments deficits and weak currencies, he said that a third common characteristic of those countries in the most serious trouble is massive balance of payments deficits. If the currency of a financially troubled country is supported by restrictive monetary policy and high

interest rates, as in Canada's case, unemployment must rise and the balance of payments remain huge. Dealing with foreign debt Mr. Boeckh stated that a fourth characteristic of the malaise is a progressive reliance on foreign debt to finance balance of payments deficits, and from an internal point of view, to finance excessive consumption both private and public. Mr. Boeckh also stated that Canada is, again, a classic example, having borrowed some $9 billion abroad last year to finance a $5 billion current account deficit as well as major capital outflows.

● (1620)

Our capacity for further borrowing is in serious question. The experience of Italy and the United Kingdom is a classic example of countries which borrow massively abroad. Such is the fate of all countries which borrow to finance excessive public and private consumption at home, as opposed to borrowing to build plant and equipment and finance other investments which produce things which can be sold and which have a rate of return sufficiently high to provide funds to eventually liquidate the foreign borrowings that originally took place. Those countries which continue to run large budget deficits, balance of payment deficits, and borrow heavily abroad to finance them, must at some point suffer a major domestic financial crisis. I emphasize that I am again quoting Mr. Boeckh.

Finally, dealing with interest rates, Mr. Boeckh stated that for a country suffering the symptoms I have mentioned, high interest rates are an inevitability: they are essential to restrain liquidity, to finance large balance of payments deficits and to prevent currency depreciation. Countries that have inflated heavily must necessarily have very low levels of liquidity and very high inflation premiums built into the level of interest rates. One can virtually rate the financial and economic health of nations by the level of their interest rates. He compared corporate bond rates in Italy, the United Kingdom, France, and Canada, with Switzerland, Germany, Japan and the United States. In truth, the discrepancy is most remarkable. Generally speaking, the intensity of the symptoms roughly corresponds to the rate of growth of the public sector relative to the private sector. As government spending, transfer payments and subsidies to the public sector and to private corporations expand, there must necessarily be a structural crowding-out of the private sector which actually produces goods and services that can be sold.

Mr. Speaker, this is the point. We are not suggesting that we should, in any way, ignore our responsibilities abroad, nor are we advocating that we shrink from our real responsibilities as good international citizens. We are merely suggesting, in order to be good world citizens, that we must first put our own financial house in order. As one British banker told the conference board recently, one would emphasize to those responsible, within their capacities as national statesmen and officials for domestic finance, that the instability in the international relationship of currencies reflects the depreciation at different rates of the internal value of those currencies.

The more they are able to do to control inflation at home, the easier it will be to devise and operate an international system not subject to periodic crises. More flexible or fluctuating rates of exchange should not, above all, be considered as a soft option to governments wishing to avoid balance of payments constraints respecting the adoption of inflationary policies. In other words, we cannot rely on the world to bail us out if we mismanage at home.

There is a growing need for the reintroduction of self-discipline in our international monetary order. As the demand for fair international liquidity has increased in the post-war period, the more inelastic features of the Bretton Woods Agreements have fallen by the wayside. Self-regulation maintained a reasonable equilibrium in the system until about 1966 when Great Britain and the United States, under the Kennedy influence, began to introduce, bit by bit, irresponsibility into the international system. Today, 10 or 11 years later, the system is so precarious that we find one central bank rationalizing for another what is, in truth, irresponsible behaviour.

We have witnessed the ludicrous spectacle of officials laying the blame for domestic ills in other more international corners than their own—and none does this more than this Trudeau government. We are now paying the bill for such short-sightedness. In the early 1970s there was an almost universal stimuation of the world economy which, together with the attempt to maintain 1971 exchange rates, led to the rapid inflation of 1972-74. On the other hand, West Germany and Switzerland resisted the global temptation, and today remain relatively sound.

History teaches us much, but it also teaches us that we cannot necessarily know what is coming in the future. The course of the International Monetary Fund is uncertain, and in the years ahead it may be even more troubling with the mounting debt of the Third World. Other colleagues of mine will be speaking about the mounting debt of the Third World. That is why we are proposing to take an overview of our economic relationship with the world. We hope, in committee, to take a good, sober look at the future.

I would like to close by simply referring to history, and in particular to a history of interest rates written in a rather monumental report by Sidney Homer in 1963. He was a New York financial house executive who had kept track of interest rates throughout the world since 2000 years before Christ. He stated that the health of a country can virtually be identified by the level of interest rates. He pointed out that a study of nine European and North American countries over the past two centuries clearly demonstrates that relationship.

Amongst those commercial nations, long-term yields have tended to be low or lowest in those countries which have been politically, commercially and financially the strongest. I would like to conclude by simply saying: Let us take heed. If we feel we have certain instability in this country at the present time, and if we feel we have certain groups who are advocating separatism, let us bear in mind the fertile ground through the insecurity of wrong financial management has been laid by

this government in Ottawa, and unfortunately we in Canada must now reap the whirlwind.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I have listened with great pleasure over the years to the hon. member for York-Simcoe (Mr. Stevens), and I have always known that sooner or later he would blow a fuse in the House of Commons. He managed to do that today. We have had this little light trickling down in the course of a great intervention. We have three official languages in the House of Commons. We have French and English, of course, but we have a language called "hustings". I think we were subjected to that language, on both sides, today.

I would like to start with the Minister of Finance (Mr. Macdonald) because I tend to agree and support the amendment, the concept of the International Monetary Fund and the Bretton Woods Agreements, with all the ramifications associated therewith. I think the minister does a disservice to this extent: he talks about "subscription" as though we are dealing with an ordinary bank where you make an investment and as time goes by your equity increases or you recover your investment. It would be more frank to point out that any money we put in under the Bretton Woods Agreements and into the IMF is a gift: we are never going to get it back. There is no way we can get it back with inflation going the way it is and the dire circumstances of the people who are doing most of the borrowing.

It is a gift. We should not back off from saying that because we have a responsibility to do something to help other parts of the world. In the short run, I do not think Canada really needs to be associated with the Bretton Woods Agreements. It is of no benefit to us in the short run, because the world is not just short run. There is a much bigger picture than that. In the long run it is in Canada's interest to have a stable world economy and a stable world generally. To that extent, any of the international agreements we enter into are important and will serve us in the future.

● (1630)

When I say "in the short run", the one occasion I can recall on which we had to go and get assistance—I think it was during the 1962 campaign when another party formed the government—I could never understand why in the world we ever put ourselves into that kind of a position with the International Monetary Fund. To have to go on our knees, as we did at that time, to beg and plead for support, and then, as a humiliating condition of that support, to be locked into a fixed exchange rate, was the worst possible position for Canada to be placed in. Why we did not simply allow the dollar to depreciate and find its own level, without accepting that kind of external discipline, I do not know. It took us a number of years to break out of that fixed exchange rate position and finally get back to a floating exchange rate. I presume those events took place because the debate was in that third official language—"hustings"—and that people were just scared out of their wits at the idea the Canadian dollar would drop below par and slip from its high of $1.05 U.S. to around $0.92 U.S.

That was exactly the remedy which was required for the situation Canada found itself in at that particular time. So when we are talking about this "hustings" language, it is not just hon. members on my right who use that language. Hon. members opposite used it during that campaign and I think it was very unfortunate and unfair way which added nothing to the solution of Canada's problems.

It is true, as the hon. member for York-Simcoe said, that one of the effects of the amendment to the Bretton Woods Agreements will be to do away with the standard, with the discipline. But in my view it is time we did so. There is more than that involved, to this extent: what bothers me as much as anything about these international agreements is the weight we give to the form of an agreement. We think that because we have entered into an agreement of some sort, we have in fact solved a problem. That is just not true. No matter what kind of an agreement we make—and some agreement is better than no agreement—I support international agreements. But we have to be realistic. What serves the world is not agreements, but an understanding of economics and a willingness among countries to play their role in world economics.

I would just like to give one example. Probably the greatest outstanding success in terms of a country raising itself from nowhere and pulling itself up is China, which is not a signatory to any of these agreements. It does not benefit from the Bretton Woods Agreements; it does not benefit from the International Monetary Fund; it did not receive Marshall aid. No matter what you name, China did not benefit from any of it. The great success of the Chinese Republic is in its determination and its leadership which set out to do something.

What I am saying is that simply to set up these organizations and simply trying to be internationally good citizens—and I think we have to do that even at the risk of failing—does not solve anything. We should not really place too much reliance on that. What the world skirts by placing this emphasis on formal agreements is the kind of problem that the Chinese did not skirt. Just as in our own country we are not going to solve the problem of unemployment or the problem of inadequate purchasing power by passing legislation or setting up boards of one kind or another, we cannot do it internationally, either.

If we are to solve our problems here in Canada, the only way I can see at the moment of doing so is to ensure a substantial redistribution of income—and this is equally true internationally. No matter what few dollars we put in—I should not say "few dollars" because I do not want to be charged with saying $27 million or $28 million is a few dollars—but in relative terms, compared to the wealth of Canada, the amount of money we are to contribute to the IMF and to our responsibilities under Bretton Woods is not going to put a dent into the problems of the Third World or those countries which need our assistance. Unless there is redistribution of income between the rich of the world and the poor, there is no solution either in Bretton Woods Agreements or in the International Monetary Fund. However, it does give the

opportunity of freeing us from the restriction and discipline of gold.

I would like to deal with some of the ten points which the hon. member for York-Simcoe raised. In many ways I feel I should compliment him because, although I do not agree with him, as he would expect—he would be horrified if I did—I do want to compliment him on giving a lot of thought to explaining his position. I would also like to congratulate his ghost writer, who I am sure had a substantial role to play in preparing the extensive notes which the hon. member used in his speech. I do not say this to denigrate in any way the important and substantial contribution the hon. member has made. I recognize, however, that to dredge up all those Cassandra-like utterances requires more than the work of one man, no matter how energetic he may be.

Mr. Knowles (Winnipeg North Centre): That's an "out"!

Mr. Stevens: Perhaps that was the problem—no ghost writer.

Mr. Saltsman: If the hon. member for York-Simcoe had his way, he would be applying the Milton Freedman theory to international economics as I think he tends to apply it to the Canadian domestic economy.

An hon. Member: That's not a bad idea.

Mr. Saltsman: One hon. member says that is not a bad idea. Let us just look at that. There is a tendency for all these monetarists to say that the problem of inflation is just a mechanical one—a too large money supply. How, then, does one explain what is happening in Canada at the moment, when the Bank of Canada, even severely restricting the money supply to the natural growth, cannot give the money away? It cannot even increase the money supply to the point to which it said it wished to increase the money supply.

The reason is that the economy is so flat that there is no reason to increase the money supply, because it has nowhere to go. If, indeed, it is the increase in the money supply which causes inflation, we should surely be down to zero inflation, because if we look at the money supply it is the lowest it has ever been with the kind of inflation to which we are subject at the moment. I am not discounting the fact that the money supply does play a role in this. Almost everything plays a role in inflation, but it is only those who really do not want to think about the economy but who live to latch on to some particular aspect who give the money supply situation such weight. I do not really want to be like Switzerland. The hon. member for York-Simcoe was holding Switzerland out as a model. As admirable a country as it might be, and as admirable a people as the Swiss may be, I really do not fancy Canada having the kind of laws and tax havens which tend to look the other way when it comes to money or when it comes to bank accounts and say, "It is not our business what happens to them." Money has certain connotations attached to it, connotations which cannot be disregarded.

● (1640)

I do not really see this as a model for us. I would like to deal with some of the ten points that the hon. member for York-Simcoe put forth today. I must say, in fairness, that I did not catch all of the ten points—two of them eluded me completely. Points 1 and 5 were, I found, merely repetition. But 10 is such a goodly number, and amongst my people we place a lot of importance on 10 of anything. I presume the hon. member for York-Simcoe was trying to emulate that in some fashion, although I must say he did not emulate one thing, because it would take an awfully big rock to carve all the words that he mouthed today, and I do not know that we have quite that much marble around or that much time to put all the engraving on it.

The great point that was being made by the hon. member for York-Simcoe was that the world should subject itself to discipline. This is an argument that I have heard and perhaps one of the arguments that induced me to become a socialist and certainly to take a part in politics, that is the idea of discipline. I think discipline is important, and certainly self-discipline and national discipline are important, but all too often it is a euphemism that is applied to the poor when one says, "If only you were disciplined, you would be all right".

I am tempted to say that we must have some discipline in some of these poor countries, but to say that they are poor because they do not have discipline is to ignore everything else such as history, gifts of nature, and all the other things that distinguish between the rich and the poor. That somebody is born rich, better off, or clever is no example of their own self-discipline, only of their good luck and fortune—and it is the other way round as well. Who are we going to discipline by staying with the gold standard and saying that gold shall be the basis on which you get credit or you do not get credit? You will not discipline the rich, because they have gold, but the poor who do not have gold.

What we are trying to do in a small way—and I entered my reservations about the Bretton Woods Agreements and the IMF—is to move away from mercantilism, the international mercantilism of the seventeenth and eighteenth centuries where gold was thought to be the answer, where the accumulation of gold by a nation was supposed to be a measure of wealth. What Adam Smith said—and I am quoting a good conservative economist, yet one who seems to be terribly misunderstood—is that the wealth of nations does not consist of gold but of their ability to produce and to do the kinds of things that human beings are capable of doing.

Why, then, do we have to restrict the world to using gold as the criterion, to going back to a mercantilist world, a world in which the poor will never have a chance because they are not lucky enough to be born on a gold mine? We certainly do not want that. If risks attend this—and I pointed out that there are risks associated with what we are doing and that in fact we may not succeed in what we are doing, and if we do, we may not succeed in any great way—it is certainly worth trying. It is certainly better than sticking to a standard which the poor have no hope of even coming close to and which deprives them

of any hope at all. At least this way there is some kind of chance.

We should have an independent mind in this country. What is an independent mind? Is it that charity begins at home, to heck with what happens in the rest of the world, let us look after ourselves first, let us solve our own problems before we deal with somebody else's problems? Are we ever going to solve our own problems? Are we ever going to have enough for ourselves? I think the answer must be "no". We are better off now than most countries of the world, yet many of us say, "Oh, well, we are still not well off enough and we cannot help anyone else until we are better off than we are now".

We will never get to a point in human history where society has every single thing it wants. At some point, regardless of the problems that are facing society, you have to be prepared to help other people as well. In the long run—and I think history will bear this out—the poor and the rich cannot live side by side: sooner or later the pressure of the poor on the rich will destroy the rich, and the only way of averting that is to ensure that the world is not divided into those two camps and at least an attempt is made to move one closer to the other.

I do not know whether the hon. member for Edmonton-Strathcona (Mr. Roche) attends the same caucus meetings as the hon. member for York-Simcoe, whether they talk to each other, whether they have the same leader, whether they are in the same political party. One would certainly not know if they were. Everything the hon. member for Edmonton-Strathcona has ever said about foreign aid has been repudiated and denounced by the hon. member for York-Simcoe. Which is the voice of the Conservative party? Are we to collect all the words and just cut them down in the middle? Is it the voice of the hon. member for Edmonton-Strathcona, or that of the hon. member for York-Simcoe?

Mr. Knowles (Winnipeg North Centre): Is it progressive, or conservative?

Mr. Saltsman: The hon. member for Edmonton-Strathcona looks like a positive progressive compared with the speech we heard today from the hon. member for York-Simcoe. With all these progressives and non-progressives, we are getting mixed up. It is not surprising when we have to put both these speeches in one context. The Conservative party cannot have it both ways. It is nice to send the hon. member for Edmonton-Strathcona around the country and to have him make speeches at Third World conferences or at the Couchiching conference. One would get an impression from those speeches that they are more progressive than the most progressive party in this country. Sometimes, when I listen to the hon. member for Edmonton-Strathcona, I wonder how we missed having him in the NDP, but obviously since he is able to sit very comfortably with the hon. member for York-Simcoe he does not belong in the NDP.

Mr. Lambert (Edmonton West): We don't all have the same uniform philosophy.

[Mr. Saltsman.]

Mr. Saltsman: It is true, and I appreciate that. There have been occasions when I have differed slightly from my colleagues; when I have strayed from the narrow path. But the fair question is: Who speaks officially for the party? What is the position of the Conservative party in this matter? Are we going to listen to the hon. member for Edmonton-Strathcona and say what he says represents the view of the Conservative party on international affairs, how we should be treating Third World countries and how we should be handling distribution of national income?

Mr. Stevens: There are no inconsistencies.

Mr. Saltsman: Even the fuse in the House of Commons could not accept that, and it blew. It was an act from above. Very seldom have I seen something like that happen. But surely it must be seen as some kind of repudiation of this position, as some kind of message.

I would like to deal with another question. Hon. friends on my right have a way of converting a program. A considerable number of the previous speaker's intervention was concerned with a recital of the balance of payments and the great gap in our manufacturing account that had to be offset by the importation of capital.

● (1650)

I certainly agree with the facts. He was not incorrect as far as the facts went, and I agree that this in fact is taking place. But what I waited for during that intervention was one sentence, two words, three words or at least a bit of an analysis of who contributed to the borrowing. To listen to the previous speaker one would think only the federal government contributed to this borrowing and only the federal government went to foreign markets. A breakdown of those figures would show that the bulk of that borrowing was done by provincial governments or their agencies.

Mr. Stevens: Because the federal government pushed them out.

Mr. Saltsman: The hon. member for York-Simcoe says it is because the federal government let them.

Mr. Stevens: No—pushed them.

Mr. Saltsman: All right. There is no doubt about it. The federal government has a way of doing that, but I would like to ask the hon. member for York-Simcoe some questions. If he can answer them now, fine. If he chooses to answer on some other, more suitable occasion, I will wait for that, because my questions are important. If he were minister of finance—

Mr. Knowles (Winnipeg North Centre): Oh, oh!

Mr. Gilbert: You've just made me sick.

Mr. Jarvis: He couldn't be any worse.

Mr. Saltsman: The hon. member has all the necessary attributes: fine appearance, very nice voice, excellent writers.

He can put together all kinds of figures which have no meaning whatsoever, so he is highly qualified to be a minister of finance. I am sure he can wear a pair of new shoes as beautifully as our present Minister of Finance, or as the former minister of finance who graced that office and who is honouring the House today with his presence. If the hon. member for York-Simcoe were minister of finance, and if he were to see the provinces and their agencies going to the American market for borrowings, would he institute capital controls? Would he tell the provinces, "No, you cannot go"? Would he say to Hydro Quebec that it could not go to the American market? Would he say to the Manitoba government that it could not borrow for its projects? Would he say to the government of Ontario—and he might be listened to in this case—that Ontario could not borrow for hydro purposes in the American market?

Would the hon. member for York-Simcoe say to Arctic Gas Pipe Line Company that it could not borrow money in the United States to build any more pipelines in Canada? Or would he go further than that and say that no more pipelines could be built in Canada because there are not enough domestic savings? Even if we were to give everything the hon. member has suggested to the business community, we still would not have enough money to build pipelines, and we would have to import that capital.

On the other hand, does the hon. member not see that much of the foreign capital which is brought into this country is brought in because of the high value of the Canadian dollar and high interest rates? One does not offset the other. I think that because money is brought into this country our dollar tends to stay up. If the hon. member were minister of finance, would he set up a foreign exchange board, and would he say that from now on a province or provincial agency cannot borrow more than $50,000 outside the country without his approval or without the approval of a board which he would reluctantly set up because he does not like boards? Would the hon. member do that? Unless he is prepared to do so, while there may be some valid criticism directed toward the federal government, that is not the total picture of what is wrong with the economy. I do not think the hon. member's argument really adds in any substantial way, beyond its political connotations, to solving the problems of this country.

My time is drawing to a close: I have a few more minutes left and I want to deal with another question which always arises in these debates. There is no doubt that the present government has been inept. There is no doubt that this government has made all kinds of mistakes and is still making them. This government has its priorities all wrong and its social values all screwed up. But something else should be added to this debate, and that is that when something goes wrong in the country, it is not the fault of just the government. In fact, we have to look at the people who took the advice of the government and elected it, because the government certainly did not steal its way to power. It was voted in and it continues to maintain a fair amount of support. Part of the responsibility rests with the ordinary people of Canada. Problems are not created just by governments, whether they be provincial or federal. Problems are not created just by political parties, whether it be my party, my hon. friend's party or the government party. As a nation we are not doing well. Part of the reason is that we are badly governed, but another part of the reason is that people are not responding to the call to harder work.

We have had it pretty soft in this country, and we have been far too prone to keep blaming the other guy instead of looking at ourselves and admitting that part of the responsibility is our own. Perhaps what ultimately must be said is that this kind of malaise should never be ascribed to the people but, rather, to political parties. The government has the chief responsibility because it is the governing party and it is supposed to assume leadership. It has a responsibility to speak out and to call upon people to do the kinds of things necessary to get this country running again. The official opposition also has a responsibility to speak. It should not merely attack the government on this issue or that, or use selected facts to make it look as though nobody else is involved. I touched on that when I referred to the provinces.

My party has a responsibility which I think it is trying to live up to. That responsibility is to try to put the whole thing into some kind of perspective and to argue the morality of the situation, especially when it comes to something like the Bretton Woods Agreements, which is more than just a technical agreement or a technical document. We need to have a moral look at the world in order to understand the significance of the agreement and to argue the points involved.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Simcoe North (Mr. Rynard)—Health—Geriatric research—Request for support; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Regional Economic Expansion—Measures to provide alternative employment for those affected by closure of Labrador linerboard mill; the hon. member for Prince George-Peace River (Mr. Oberle)—Public Service—Suggested compensation to those identified as being on blacklist—Alleged additions to the list.

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

Income Tax Act

PRIVATE MEMBERS' MOTIONS

[*English*]

Mr. Ellis: Mr. Speaker, I rise on a point of order. I have discussed with my hon. colleagues on all sides of the House the matter of private members' business this afternoon and we have agreed that instead of dealing with bills this afternoon, the House should deal with a motion standing in my name, motion No. 33.

The Acting Speaker (Mr. Turner): Is it unanimously agreed that notice of motion No. 33 be discussed during the private members' hour today?

Some hon. Members: Agreed.

* * *

INCOME TAX ACT

MEASURE TO EXEMPT INTEREST ON MUNICIPAL BONDS

Mr. J. R. Ellis (Hastings) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Income Tax Act to exempt the interest of municipal bonds from income tax.

He said: Mr. Speaker, first I wish to thank hon. colleagues on all sides of the House for unanimously agreeing to make the change which was made this afternoon and to allow me to present a motion standing in my name rather than the bill which has been standing in my name for some time. In fairness, I must say that I intend to leave the bill to die on the order paper since the government has undertaken, through legislation brought into this House, to cover the majority of the points I had requested. It would seem to me, therefore, that there would be no purpose in leaving it on the order paper.

● (1700)

The motion that I propose this afternoon has just been read, but I am going to read it again. It is very brief and I think it carries a lot of weight. It reads as follows:

That, in the opinion of this House, the government should consider the advisability of amending the Income Tax Act to exempt the interest of municipal bonds from income tax.

I want to begin by quoting from remarks made by the Minister of State for Urban Affairs (Mr. Ouellet) in a speech to the Canadian Federation of Municipalities in Toronto on May 18. I am, of course, quoting out of context but I am sure the excerpts are capable of standing alone. He said:

I am deeply concerned about the high level of taxes—of all kinds—that the individual Canadian pays to school boards, municipal, provincial and federal governments. To this end, I stand prepared to press for meaningful reform of the municipal finance situation.

Later in the same speech he said:

As an immediate action, it is my intention to ensure that federal programs will be better able to respond to the needs and concerns of Canadians living in all types of municipalities, large and small, rural and urban, and that federal programs will be more flexible in taking account of the fiscal circumstances of municipalities.

[The Acting Speaker (Mr. Turner).]

Also, given the way I perceive the problem, I am prepared to consider any reasonable suggestion to bring forward a reform of the municipal finance situation.

In a very interesting speech to an important group of municipal representatives the minister said he was "prepared to press for" in one case, and in the second case, "to bring forward a reform of the municipal finance situation." That is what my motion is about, Mr. Speaker. I suggest that taking away the federal tax on the interest on municipal bonds will make a major change in the municipal finance situation.

I have to be slightly critical of a couple of the minister's comments, however. He referred to a statement he had made in Alberta in February of this year where he raised three possible avenues of assistance to cities in order to keep pace with providing adequate municipal services. He listed these as follows:

(1) increasing federal assistance programs for such projects as home rehabilitation, neighbourhood improvement and sewage treatment;

(2) transferring funds to the provinces under the condition that the money be passed along to municipalities; and

(3) establishing a direct tax rebate system to reimburse Canadians for some of the heavy tax load they now bear.

The problem is that in the first of these items the federal government would envisage taking funds they have already taken from the taxpayers and turning them back to taxpayers. Everyone is aware that the federal government takes something like 40 per cent along the way in overhead. I suggest that leaving the tax money where it is would make more sense than taking it with one hand and giving it back with the other.

The second proposition of transferring funds to the provinces with a condition that they be passed along to municipalities is very similar to a grant that municipalities used to receive from the provinces with strings attached—providing the municipalities did certain things. The government of Ontario did away with that kind of grant many years ago simply because grants with strings attached have never been very successful.

This motion is a major change and a major improvement. It is not entirely radical; the United States has been doing it for years. It is forward thinking, however, and in my opinion would be supported by all municipalities in Canada. Let me outline what I think the five aims of my motion are. First, it would reduce municipal costs; second, reduce municipal taxes; third, reduce the Canadian balance of payments; fourth, provide excellent investment for Canadians in all walks of life and, finally, increase federal taxes. I will deal with these one at a time.

The first is in regard to reducing municipal taxes. In his speech the minister referred to the debt costs of municipalities ranging from 10 to 20 per cent of their total budget. If we could cut back by removing the taxes on interest, of course, the interest would be much lower, probably ranging between 5 and 7 per cent instead of the 10 or 11½ per cent it has been running at. The savings compounded as the interest is compounded now would amount of half the debt service charges in time.

The second thing is the reduction of municipal taxes. Many members of this House have been involved with municipal councils over the years. I have spent more time on municipal councils than in this House. Members know that municipal taxes are only raised to meet costs; the municipal field does not have the ability to raise taxes for such extravagant programs as Canada Works, Local Initiative Programs and such things as that. Municipalities can only raise taxes to meet their obligations and do those things which are absolutely necessary. If the cost to municipalities by way of interest on their debentures could be reduced, they would turn that money back to the taxpayers either in reduced taxes or extended services. Just recently the city of Belleville passed its annual budget, and after much discussion added an extra quarter million dollars for repair to roads because it was found they were much below the standard for the province. That quarter million dollars could be doubled or tripled if their debt service charge were cut back.

What I have said so far is primarily the concern of municipalities. I hope my motion will be considered by the federal government, and therefore I must show there is some merit in it. One of the things that I think is most important is the reduction of our balance of payments. In discussion of Bill C-18, my colleague the hon. member for York-Simcoe (Mr. Stevens) expressed serious concern about the balance of payments. I would like to repeat many of the things he said, but I do not have the time. He made the point that countries with a high inflation rate, such as Canada, face high interest rates. That has been the case with municipalities, in their recent issues of debentures.

● (1710)

I have found from my research that municipalities, because they face large capital requirements and high domestic interest rates, have relied increasingly on foreign capital markets to meet their financing requirements. I have also found that a substantial proportion of net new issues are met with United States dollars. At the risk of boring the House I shall mention some statistics. Their source is the Bank of Canada Review, February, 1977, table 32, page S.71. I shall begin with 1973 figures, then quote figures pertaining to the last four years.

In 1973, the total gross issue of debentures amounted to $738 million, of which only 15 per cent was to be retired in other currencies. The figure in 1974 increased to $870 million, of which 27 per cent was to be retired in a foreign currency. The figure in 1975 increased to $1,417 million, of which 38 per cent was to be retired in a foreign currency. In 1976 the figure increased to $1,568 million, of which 52.5 per cent was to be retired in a foreign currency.

If one examines the foreign currency figures, one finds that in 1973 only 7 per cent of such obligations were to be retired in the currency of the United States. The figure jumped dramatically in 1974 to 29 per cent. In 1975 it reached 43 per cent, and in 1976 it reached 59 per cent. Clearly, the interest which flows to the United States returns not one cent in taxes to the Canadian federal government. Therefore, the Canadian federal government would lose nothing if it did not collect taxes on the interest paid by municipalities.

I was speaking of gross issues just now. My figures show that in 1976, 67 per cent of all new issues, almost $478 million worth, were in United States dollars. Let me make a point to my colleagues from Quebec. Naturally I, being from Ontario and having been involved for many years in the Ontario municipal system, am familiar with that system. I point out to my colleagues from Quebec that the situation in Quebec is even worse than it is in Ontario. I refer to the table "Net new issues of municipalities by provinces" compiled from the banking and analysis section of the Bank of Canada. In 1973, of the total $398 million-odd in net new issues, only 27 per cent was for Ontario, whereas 59 per cent was for Quebec. Of that, 20 per cent was a foreign issue.

Although I do not have all the latest figures before me, I point out that this figure has increased dramatically. Quebec's share of total Canadian new issues in 1974 increased to 63 per cent, of which 45 per cent was in U.S. dollars. That proportion in 1975 increased to 67 per cent, of which 44 per cent was payable in U.S. dollars. Although the figure dropped somewhat in 1976, I point out that 34 per cent of the Quebec issue was in foreign issue. From Quebec, $195 million went to foreign sources in 1976 to cover Quebec municipal financing. The federal government received absolutely no return as tax from that distribution of funds.

I return to my five points. Many Canadians are looking for safe ways to invest their money. We talk of "Mother Bell" as issuing safe, blue chip stocks. I suggest that the municipalities of Canada are equally safe investments. If one could buy their bonds without having to pay tax on the interest one receives such investments would be most attractive to all types of people.

This brings me to my last point, that such a tax exemption would actually increase federal taxes. When the former minister of finance heard of this idea, he turned it down flat on the ground that the benefit would accrue only to the wealthy in Canada. I refute that contention. Handled properly, this kind of investment would be available to unions, retirement funds, insurance companies and private individuals, rich or poor—in other words, to a cross-section of Canadian life. Further, the money paid in interest would stay in Canada and not go to some foreign country. While no tax would be levied directly on the interest paid, the money spent in this country would indirectly generate taxes. The people who are paid interest by the municipalities would spend the money on goods and services. The federal government could levy a tax on these goods and services. If a municipal government decides to provide more services with the money it saves, it is clear that the money will be spent on labour, with respect to which the government would levy income tax and on goods and services on which the government levies a sales tax of approximately 12 per cent.

If hon. members are not yet convinced that the federal government would actually receive more money if it decided not to tax the interest on municipal bonds, I could reinforce

my argument with many more details and figures. Unfortunately, I do not have much time remaining. In the few minutes remaining I wish to quote a passage from Douglas Fullerton's book, "Provincial and Municipal Financing". On page 293, Mr. Fullerton quotes a Mr. Calvert who, speaking of the United States, wrote:

> The tax exemption for interest on municipal bonds is essential to state and local government, not only to obtain a much lower rate of interest on these bonds than would be obtained without such tax exemption, but more basically to protect their independent sovereignty under our dual state-federal system of government.

That point must be borne in mind. I also quote the words of Mr. Patrick Mahoney who, writing on the role of the Canadian government in municipal finance, said in part:

> There is no easy way that the federal government can intervene directly to improve sources of municipal finance. The British North America Act gives the federal government authority to raise taxes by any means whatever. Provincial governments can levy direct taxes only and can, of course, delegate to municipal governments all or part of that right. The federal government can delegate nothing directly to municipalities.

My motion suggests a legal and attractive way for the federal government to give the municipalities a piece of the federal action. Our municipalities desperately need such relief, which would be of benefit to overburdened municipal taxpayers who pay, with residential taxes, about 45 per cent of all municipal taxes. Our municipalities desperately need the relief which the federal government could provide without interfering with the rights of the provinces. They merely have to back off of one form of interest. I suggest it would do all of those many things that I have outlined.

● (1720)

I want to close with a very brief comment to my colleagues on the other side. Over this past year it has been my privilege and my willingness to allow a number of private members' bills and motions to pass through this House. I have personally made sure that consent was given. I have not lobbied on this matter one bit. I have not asked anyone that it be given consent. However, I suggest through you, Mr. Speaker, to those who are responsible that this is the way in which the federal government can make an excellent contribution to municipalities in all of Canada. I suggest to them that they might reciprocate.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I congratulate the hon. member for Hastings (Mr. Ellis) for raising this most important matter. If the hon. member's bill were worded in a way that asked that this matter go to committee to investigate various ways and means of assisting the municipalities, I would be very much in support of it. However, since the bill restricts itself to only one rather unhappy method, I am not in the position to support the bill, as admirable as the intention of the hon. member for Hastings may be. I will give my reasons for that.

I have been a municipal councillor. I realize that some of the things the hon. member brings to the attention of this House are so. However, as a municipal councillor it has been my experience that the greatest benefit that people receive from their taxes is at the municipal level. I cannot think of any kind of tax that people pay for which they receive more services. I realize that taxes are quite high. However, we must realize what we get for them: education, police protection, fire protection, sanitary services, roads, welfare and social services, recreational services and housing services. I could go on. I do not know of any area of government in which the benefits are greater for the taxes paid.

There is one essential problem with municipal taxation. Of all taxes, including sales tax—because there are exemptions in sales tax—the most regressive are at the municipal level. If this measure were put into effect, would it reduce the regressiveness of the municipal taxes? It would not. It would lower the whole level of municipal taxes but the essential regressiveness would still remain. We would increase the total regressiveness of the system if taxes were not collected on municipal bonds. I will come to this matter of who collects it and the kind of revenues they get from it. I argue, in fact, that it would be transferred to the income tax. What we would be doing is taking this tax and making it a larger burden on someone else. I do not think it would be done, because the income tax is not as progressive as it should be.

The other point I would like to make is that the small bond buyer is already allowed a deduction of $1,000 a year. I do not know of very many people in the lower and middle income levels who collect more than the $1,000 in interest to which they are already exempt. The chief beneficiaries would be the very wealthy.

I am not suggesting that the hon. member for Hastings is doing it for that reason. I know him well enough to suggest that he is not. I know that his genuine concern is to find some way of helping the municipalities. However, I suggest this is the wrong and most costly way of doing it. This would help the very rich. In the United States, municipal bonds are a favourite tax haven of the rich. The suggestion made by every tax lawyer and tax accountant—

Mr. Ellis: And the big international unions.

Mr. Saltsman: It may to the extent that they are rich, too. I will not quarrel with that. I merely say "the rich", without singling out whether they are an organization, individual or whatever. Nevertheless, the point is the same. It is regressive.

If we are going to help the municipalities, surely we can find a better way than bringing in a regressive measure. There are ways of helping the people in municipalities. We are not talking about some coat of arms, as lovely as that may be: we are talking about the people who live in a city. The greatest help we ever provide to people in the cities is when we encourage senior citizens's housing and public housing. You can be selective in the sense of who you want to help. Not everyone in the city finds the taxes onerous. Wealthy people in the city are quite well off compared to poor people in the city. If we are to provide assistance, we should be more selective.

In view of the arguments the hon. member's party have made over the year about selectivity and helping, I thought he would have stayed away from these broad-axe approaches.

While they would be of some benefit to people in middle income groups, they would have a tendency to transfer their liabilities. Instead of the municipality having the tax to pay, the individual would have to pay it in some other way, probably in a more heavy way.

I want to deal with the central point of the hon. member's intervention. He stated we would not deprive the federal government of any revenue because, as I understood him, the money is raised externally. That would be true if the investment supply were totally elastic; in other words, if you had an investment supply that did not have any limits. We know that the investment pool is roughly of so many dollars. To the extent that you invest here, you do not invest somewhere else; you do not increase the pool of investment funds by providing additional investment opportunities. To the extent that you encourage one kind of investment by granting tax advantages, you simply shift from other sources.

At the moment, municipalities find it more advantageous to go to the American market in order to float their bonds. If it were more advantageous for the Canadian taxpayer to buy the municipal bonds, what would they do? They would buy them. There is no doubt that if you offered this kind of an advantage, there would be a flood into municipal bonds. Where would they get the money? They would take it out of other investments, investments in industry. The money is invested, no matter where it is. Even if it goes to a bank, the bank invests it. There is really no such thing as putting money in a mattress. There is really no money there. Most money is employed in one way or another.

To the extent that you provide an attraction for one kind of investment, you take it from another investment. Does the hon. member want to take investment out of industry, and thereby have all of our industry go to the United States, giving up ownership of our industry as well? If we have to go to the United States to borrow funds, the best thing to do is borrow in debt rather than sell out our industry as equity. That would be the consequence.

The argument that the federal government would not be disadvantaged from the tax point of view is only true if there is an unlimited supply of investment funds. However, there is not an unlimited supply of investment funds. What you get is a transfer of funds from one type of investment to another, depending on where the tax benefit is the greatest.

There is something else I want to argue against. We went through, and are still in it to some extent, this business of distortions in the tax systems. There are so many distortions and loopholes which encourage the government to move from one kind of investment to another.

● (1730)

What the Carter commission reported essentially was that a buck is a buck; that all income should be treated the same for taxation purposes. One important argument which they used, aside from the equity argument—which is a fair argument because from the equity point of view the people who benefit are the rich, not the poor—was that economically you set up distortion in capital markets. We have this distortion now. Some of it is deliberate. For instance, the government creates distortion through the tax credit system to encourage Canadians to invest in Canadian equities. There is distortion in the sense that some companies are encouraged to invest in mining, such investment being written off as a result of the last budget. Our whole tax system is riddled with this kind of distortion, and all of it is bad.

This kind of distortion over the long term is bad because when you channel money into one area you tend to say, "Instead of removing this distortion we must give higher bonuses in some other area to attract more money". Who suffers as a result? The federal government is the main sufferer, but provincial income tax also suffers. To the extent this revenue is diminished we have to take one of two courses; either we increase taxes or we reduce services.

It has been argued that many services can be done away with, and usually the example of Information Canada is given. Now we have got rid of Information Canada we do not hear very much about what kind of government services we are going to eliminate. In truth the really costly government services are in the form of transfer payments to individuals, rather than bodies like Information Canada. I do not think any political party, regardless of what is said on the hustings, would be prepared to dismantle the social welfare system in Canada today, with our old age security, family allowances and all the rest.

Therefore it seems to me that while the intent of the bill is admirable, and I welcome it because it would instruct the committee to look at ways and means whereby municipalities could be assisted by this form of tax exemption, I think the hon. member for Hastings would create, were the bill to receive approval of the House, very serious distortions in investment patterns, great inequity in terms of who gets the benefit, and ultimately the bill would be of no help to people in municipalities in that the money saved would go to the wrong people.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, it is both a duty and a pleasure for me to support the motion of the hon. member for Hastings (Mr. Ellis). I must congratulate him for having brought the attention of the House to the serious and urgent problem which most, if not all, Canadian municipalities are facing.

The hon. members for Hastings and Waterloo-Cambridge (Mr. Saltsman) have made worthy efforts without however suggesting solutions or adding anything new. They seem to be quite complacent about a dead end, or to be going in circles, or robbing Peter to pay Paul, till such time as both Peter and Paul will find themselves destitute.

Mr. Speaker, several times my party and myself have drawn the attention of the House to the troublesome financial problems of municipalities. Obviously, at the rate municipalities, governments and school boards are going deeper into debt, the day will soon come when all taxes of every kind will no longer

suffice to pay their debts, on the municipal as well as the provincial and federal levels.

Mr. Speaker, one only has to open a paper to read that such or such a municipality is forced to cut down on its staff, dismiss its police department, delay sewer and water works, and what not. So it is absolutely necessary and urgent that the central government take the bull by the horns and twist its tail hard enough so it will charge into the sacred precincts of the Bank of Canada to make it understand that it is high time it played the real role given to it by the Parliament of Canada, namely issuing the necessary credits for the development and expansion of this country by making loans at administrative cost to all levels of government.

It is a known fact that most municipal administrations find it very difficult to pay back their debts, and they must pay interest rates varying from 13 to 14 per cent. I have here before me an article of the *La voix gaspésienne* of last week, and I quote:

—Reduction in projected staff by the city of Chandler to reduce its budget deficit

—Difficult situation in the city of Gaspé, forced to reduce services because of lack of special aid

Mr. Speaker, all across Quebec you have the city of Montreal, the city of Quebec, my own town, Rimouski, where a water purification system and a new water system would be needed. It is always the same thing. Borrowing powers are limited and they can no longer go to borrowing markets because taxes would have to be raised and I think that taxpayers are currently overtaxed. So what do you do?

I think, Mr. Speaker, it is the duty of a government that calls itself fair and democratic to put an immediate stop to the debt orgy and usurious interest rates to allow both municipal and other organizations to reduce their debts and meet adequately the needs of the people.

Mr. Speaker, those are the few remarks I wanted to make on motion No. 33 introduced by the hon. member for Hastings. Once again, I think that all members should come charging back more often to bring the government to take its responsibilities and, as I suggested earlier, stop the hemorrhage, because tomorrow might be too late.

[*English*]

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I am pleased to enter this debate on private members' motions this afternoon. May I first of all join the hon. members for Waterloo-Cambridge (Mr. Saltsman) and Rimouski (Mr. Allard) in congratulating the hon. member for Hastings (Mr. Ellis) on bringing forward this most interesting motion respecting tax exemption for interest on municipal bonds. I suspect my interest results from my having served for eight years in municipal government.

However, I also noted that in his opening remarks the hon. member for Hastings acknowledged that this government—in its usual dynamic way—had already implemented many of the points which he had to bring forward; that the ideas and views he had embraced in his original motion had indeed to quite a large degree already been not only considered but acted upon by the government.

● (1740)

Mr. Ellis: Mr. Speaker, just briefly on a point of order, may I point out the bill to which I referred, and upon which the government had taken action, had to do with drunk driving and not municipal financing.

Mr. Harquail: That is an interesting point. I am glad he has clarified exactly what he meant.

Mr. Knowles (Winnipeg North Centre): They are not the same thing.

Mr. Harquail: Obviously not. With respect to comments made by members on the other side, I noticed this afternoon their financial critic, the hon. member for York-Simcoe (Mr. Stevens), had some disparaging remarks to attribute to members on this side of the House with respect to our not taking the opportunity to participate in debates generally in respect to fiscal matters brought before the House recently by the Minister of Finance (Mr. Macdonald). One has to consider the cancellation of the Standing Committee on Consumer and Corporate Affairs as a result of non-participation by an appropriate number of members, particularly from the opposition, and the cancellation of two finance meetings because of lack of interest and members from the official opposition not showing up.

An hon. Member: Shame!

Mr. Harquail: One must also consider the man in the official opposition responsible for financial matters, the hon. member for York-Simcoe. He made remarks but failed to pay attention. He did not make sure his people carried out their duties and were present at these meetings.

The exemption of interest on municipal bonds from income tax would convey benefits which would vary greatly among provinces. Once it is noted the municipal debt per capital is lowest in the Atlantic provinces and highest in Alberta and Ontario, the distribution of benefits from the exemption can be seen as a measure which would increase the level of fiscal imbalance and work in the opposite direction to the principle of equalization.

I am confident the hon. member for Hastings did not have that in mind, albeit he represents a constituency in the province of Ontario. He would not want to be one who would suggest we do anything further to cause imbalance with respect to equalization for all Canadians across this country. Because of the variety of financing arrangements for local governments within the Canadian federation and the nature of the market for municipal debentures, this exemption would benefit, in general, the governments of higher income provinces and larger urban centres, more than those of the low income provinces and small or rural communities. Neither of these results commend themselves as part of an equitable

response to any financing problems which municipalities may have.

In addition, a significant part of the benefits would flow to higher income individuals and larger corporations in the form of reduced taxes. I certainly go along with the comments made by the hon. member for Waterloo-Cambridge when he spoke about the rich becoming richer, or of this particular measure assisting people in that way. Neither of these results would commend themselves as part of an equitable response to any financing problems which municipalities may have. The provisions of such a means of tax avoidance is clearly not a desirable addition to the Canadian tax system. Because part of the benefit would go to individuals and corporations, the revenue loss to the federal and provincial governments is significantly greater than the value of the subsidy to the municipalities. It is thus an inefficient form of financial assistance.

With these brief remarks, I would like to point out that the member who brought in this type of motion should be commended. However, I had hoped he would go a bit farther and also consider some limitations, rather than just leaving it wide open in a give-away situation to the people with higher incomes, the larger corporations and the larger municipalities. I had hoped for something similar to the Canada Savings Bonds limits up to $20,000, $30,000, $40,000 or $50,000, so that it would not be a complete runaway situation.

Mr. D. M. Collenette (York East): Mr. Speaker, I would like to add my words to the debate on the motion of the hon. member for Hastings. It is a very worth-while motion, but one that must not be dealt with in isolation. In this sense I follow the prescription as outlined by the hon. member for Waterloo-Cambridge (Mr. Saltsman).

I will be brief because I know there is not much time left, and the Parliamentary Secretary to the Minister of Finance (Mr. Kaplan) is most interested in this subject and would like to make a comment on it. Looking at the motion in the context of federal-provincial fiscal arrangements, it is implicit in the speech of the hon. member for Hastings that since the war provincial and municipal governments have been asked to take on an ever-increasing load of responsibility. I am referring to social responsibilities, and they need the financing to discharge their responsibilities.

In the 1960's there was a movement afoot, prompted by the social revolution in Quebec, toward more decentralization of federal taxation power to the provinces. Mr. Pearson, the prime minister at the time, acquiesced in the face of very strong demands, not only from Quebec but from Ontario and other provinces, and allowed more taxation revenues to go to the provinces to pay for increased social commitments. Ten years later, in 1977, we see across this country a popular movement, which is not a movement on behalf of the general public, but one stemming from provincial politicians and provincial public servants who say, "Look, the only way to keep this country together is for us to decentralize more, for the provinces to have more taxation revenues and more powers". As far as I am concerned, this kind of approach and direction toward Canada's future is fraught with danger.

The hon. member for Hastings talked about municipalities having to go to New York and overseas for finances. In Ontario, his colleague, who is seeking re-election, Mr. Davis, has been to Germany and Italy to get money for the province. We have seen a trend where municipal and provincial governments have borrowed money outside of the country. I agree it is a harmful thing for the Canadian economy.

Coming back to my theme in terms of federal-provincial relations, before we agree to a motion of this kind, the federal government and the provinces have to sit down to determine if borrowing by municipal and provincial governments abroad is in the best interests of Canada, before we talk about the general expenditures themselves. In the last couple of years Canada has become the most indebted nation in the world in terms of foreign borrowing. Implicit in the motion of the hon. member for Hastings is the fact that he wants us to continue in this vein. I am saying no. Before we take a piecemeal approach, as he is indicating, we should sit down at a constitutional conference to tidy up our Constitution and to eliminate the overlapping where the federal government intrudes on provincial jurisdiction. We should cut the costs and the waste there. We should not look only at transferring money to the municipalities, but we should say to the provinces and the municipalities, "Don't you think there are some fields of social policy and governmental policy where it would be better to divest authority in the federal government?"

I would like to refer to the example of education. It is unrealistic, at this moment, to think the federal government, by agreement with the provinces, could gain a greater role in education. I am not talking about post-secondary education; I am talking about lower education. This is relative to the motion, because in the province of Ontario and throughout Canada education costs are borne by the municipal taxpayers. I suppose we should go back to 1867 and the Fathers of Confederation. They gave jurisdiction over education to the provinces. In retrospect, some of the problems in this country with respect to national unity, the lack of understanding, the continuation of the so-called two solitudes, may have arisen from that decision. Before we take a narrow view as taken by the hon. member for Hastings we should look at areas in which the federal government can assume powers, presently given to the provinces, in the national interest. Obviously, I do not want the federal government to run the education system of the country. But we must adopt a system similar to that which we developed in medicare in which the federal government sets national standards.

● (1750)

There is a degree of portability attached to medicare plans and we should make similar provisions in the field of education. At the present time, if parents must travel from one part of the country to another their children suffer serious dislocation because of changes in the education system from province to province. A federal presence in education would alleviate

the extent of this dislocation. It would also help the cause of national unity.

I am afraid my remarks have been somewhat disjointed. I thank you, Mr. Speaker, for allowing me to inject some of my concern about constitutional matters in the debate on the motion put forward by the hon. member for Hastings. But I believe a case can be made out for saying that motions of this kind ought not to be discussed in isolation but in the context of federal and provincial fiscal arrangements. Notwithstanding the hon. member's intentions, and I am sure they are sincere, I believe that sending this motion to a committee or acting upon it at this time would be premature.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, there is not much time left to me but I am glad to have an opportunity to contribute to this discussion because I wish to put some figures before the House, but before I do so I should like to extend congratulations, as others have done, to the mover of this motion. It is obviously an important subject. Many members on our side wanted to speak, and there has been participation from all parties.

The question of municipal financing is an extremely difficult one. Although we have been elected to a level of government which does not have direct control over this area, we nevertheless represent people and we come from cities, towns and municipalities: we cannot help trying to use the authority of this level of government to lessen the burden borne by the municipalities in one way or another.

The hon. member for Hastings (Mr. Ellis) referred to a speech by the Minister of State for Urban Affairs (Mr. Ouellet). I read that speech with interest and I noted that three or four suggestions were made regarding ways in which the federal fiscal power might be used to alleviate the burden on the municipalities. I must say, with respect to the minister, that I disagree with his approach. I do not think the federal government ought to alter its fiscal policies so as to support municipalities. I say this with a great deal of regret.

For the federal treasury the cities and municipalities of Canada are a great source of revenue. I have not looked at the figures but it would not surprise me to find that the bulk of the revenues of the federal government come from taxpayers, corporations and individuals, within the larger municipalities. Why is it that the federal government is able to find these corporations and individuals such a rich source of revenue while the municipalities cannot? What is it that the municipalities lack which prevents them having the same access as the federal government to the incomes and fortunes of Canadians? To ask that question is to answer it. They do not have the power to tax in the way the federal government does. Who can give them this power? Is it this parliament? It is not. It is the legislatures of the provinces which possess the authority necessary to give the municipalities the jurisdiction which would provide them with a proper tax base. But for one reason or another they have not done so. They have left their creatures, the municipalities, starved for funds.

[Mr. Collenette.]

Hon. members may ask themselves what is the reason for this inaction. I think it is because the provinces are afraid to see the municipalities possessed of an adequate tax base. That is why we in Ottawa are under such pressure to help them out. But we are in a level of government which cannot do it in any effective way. It is the provinces which can do it.

It we do allow exemptions from income tax on municipal bonds to individuals and various enterprises we shall only produce the kind of situation which has existed for many years in the United States. It certainly results in a lower interest cost to the municipalities. But what is the over-all effect? A number of hon. members have called attention to some of the results—the regional inequities inherent in such an approach, the bias in favour of individuals with high incomes, and so on.

Mr. Ellis: On a point of order, Mr. Speaker, the parliamentary secretary is taking a very interesting approach, but he mentioned some interesting statistics he wished to put before the House. I wonder whether he would do me the courtesy of providing me with those statistics privately?

Mr. Kaplan: I would be glad to do so. They come from one of the studies done for the Carter Commission. They are not very recent but I would refer to one year, the year 1968-69.

The Acting Speaker (Mr. Turner): Order. It being six o'clock the time set aside for private members' business has now expired.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*Translation*]

BRETTON WOODS AGREEMENTS ACT

AMENDMENT TO INCREASE SUBSCRIPTION TO INTERNATIONAL MONETARY FUND AND INTERNATIONAL BANK FOR CONSTRUCTION AND DEVELOPMENT

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-18, to amend the Bretton Woods Agreements Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I now refer to the 1966 debate when we considered some major amendments to the Bretton Woods Agreements Act. I have here this evening the official report of the debates. Second reading was *pro forma*. The main debate on the resolution was held in April 1966. At that time, for any legislation entailing

some expenditure by the Canadian government there was a resolution, first reading, second reading, then consideration of the bill in committee and finally third reading.

[*English*]

Well, Mr. Speaker, it is very interesting to see why, going back to the debate of 1966 in which I participated on second reading. That debate was very short. A good deal more was said at the resolution stage. I would like to go back to that particular era in talking about this bill because I think that, notwithstanding that there have been changes in times, certainly there have been changes in the world situation.

I know there are some who believe that the Bretton Woods Agreement was written or inspired by the devil. To me that is totally false. Those of us who had the experience of pre-World War II monetary exchanges recall the absolute chaos, the dog-eat-dog atmosphere. As a matter of fact it was symptomatic of what was to come in 1939. It was just one of the symbols of one nation doing it to another as part of the so-called economic nationalism that came out of the economic depression of the 1930's. The world suffered as a result of World War II, there is no doubt about it, but then I would say that over the years 1933 to 1938 or 1939 as much human misery was inflicted on the world populace as a result of this international monetary warfare as was inflicted by the horrible ravages of war from 1939 to 1945. That latter part was measurable. At least one could put a finger upon it and seem to identify. At least there was a scapegoat for the suffering.

● (2010)

In 1937 I was a high school student travelling in Europe, and it was almost a daily joke to determine the value of the franc, the mark, the pound or the dollar as each tried to out-manoeuver the other. One of the hopeful lights of 1944 was the determination of men the world over, as they established the United Nations Charter and as everybody got hold of his good resolutions and put them back on the table, to start out with the Bretton Woods Agreement. Its original concept was modest, and I do not suppose under the circumstances—it being 30 years old—that one can quarrel with the decision that the United States dollar would be the primary reserve currency and that the pound sterling would be the second reserve or joint reserve currency. It worked for some considerable time. Oh, Canadians did not like it too much because our dollar was at a considerable discount to the United States dollar for a period. Then there were subtle changes. Of course they would be subtle changes; there is no such thing as a static situation in world international trade and commodity relations. Even the monetary market experience had some influences which, I think, by and large in the whole picture were wholesome effects of the checks and counter-checks to the excesses of a too rigid system dictated by men whose motives were not altogether altruistic.

We saw some changes in the 1950's. I remember in 1958 and 1959 being a member on the government side when there were minor changes in the levels of the membership subscriptions for Canada, and then in 1966 there was a wholesale change. Circumstances had changed considerably. By then we had seen the emergence on an independent basis of many of what we call today the developing nations. The colonial system had started to come apart, I suppose through the impetus of the United Nations, and then because of any number of reasons. It may have been a calculated move on the part of the Soviet Union and the United States in their already apparent conflict over domination. Even today the United States attempts to impose North American style democracy on people who are not suited to it. If only they could make up their minds that what is good for Washington, Los Angeles, Chicago and New York is not necessarily good the world over!

Over the years there has been a great deal of strife. Western Europeans and North Americans have been trying to impose their brands of democracy on all the peoples of the world. Let them be a little bit humble. Let them realize that people will achieve their potential, possibly under a modified system of their own choice, but let us not have North American leaders trumpeting about the world saying that all countries must assume a North American brand of democracy, because that will only fail.

On the other side, the Soviet Union has been very eager to obtain recruits for its views in the United Nations. So therefore we had a great rush in the 1960's and early 1970's to foment independence in many countries which were not ready for independence. Their economies and the development of their peoples have actually retrogressed as a result of this too hasty run into the so-called world economic race.

I remember the Commonwealth Parliamentary Association Confederation in Wellington, New Zealand, in 1965, and subsequent conferences, and I particularly remember when the Bretton Woods Agreement was amended formally to establish special drawing rights. Special drawing rights were on the International Monetary Fund side, but the mechanism for loans at low rates of interest to developing countries—in other words, that effort by developed countries to assist those who, in many instances, were pitchforked into the post-mid-twentieth century—was the World Bank.

However, immediately many of these countries looked upon special drawing rights as the teats on a prolific sow, another source from which to draw. Never mind that this in itself was doing damage to some of the countries concerned and that the funds that they might thereby draw would not be destined for the general improvement of their people, the Bretton Woods Agreement established one base reserve currency. Incidentally, there is not one comma, not one dot on an i nor one bar on a t which this parliament can change with respect to that agreement as presented in this bill. There are changes to the limits of Canada's qualifications, and this time there is formal inclusion in a bill rather than using a one dollar item as was done in 1970, and again in 1972, with regard to special drawing rights. There is an increase or change in the level of Canada's subscription, and also the determination of the value of the U. S. dollar as of July 1, 1944. These things are all now being crystalized and formalized in this particular bill.

● (2020)

We see the extent of Canada's commitment in the amendments to proposed new section 5 of the act. In proposed new section 6 there is a method whereby at a particular date Canada's commitment to the International Monetary Fund, its subscription, the value of its special drawing rights and any other commitments it may have—I can spell them out, for instance from the specification to the $1 item in the Appropriation Act No. 1, 1970, Vote L37b. This item reads as follows:

To authorize the Minister of Finance to provide for payment out of the Consolidated Revenue Fund to the International Monetary Fund in the current and subsequent fiscal years, in addition to the amounts authorized by the *Bretton Woods Agreements Act*, a sum of money equivalent to the increase in Canada's quota of $360,000,000 (U.S.) of which $90,000,000 (U.S.) shall be in gold, $3,600,000 (U.S.) in Canadian currency and $266,400,000 (U.S.) in non-interest bearing non-negotiable demand notes in Canadian currency, in such form as may be determined by the Minister of Finance, and to authorize the Minister of Finance to provide for payment out of the Consolidated Revenue Fund in the current and subsequent fiscal years, in addition to the amounts authorized by the *Bretton Woods Agreements Act*, a sum of money equivalent to $149,800,000 (U.S.) for the purchase of 1,498 shares of stock of the International Bank for Reconstruction and Development, being in addition to Canada's subscription as a member thereof, of which a portion may be paid in cash, a portion in gold, and, pending cash requirements by the Bank, a portion in non-interest bearing non-negotiable demand notes, in such form as may be determined by the Minister of Finance.

Incidentally, Mr. Speaker, the International Bank for Reconstruction and Development referred to was the precursor of the World Bank.

That excerpt refers in part to what we are ratifying tonight.

The minister indicated in his remarks this afternoon that more and more there is a non-reliance on gold. Since 1966 when I participated in the committee hearings and in the debates at all stages of Bill C-144, which Bill C-18 purports to amend, there have been some changes. First of all, I think there was a fudamental change in the Bretton Woods Agreement in the effectiveness of the U.S. dollar as the base currency reserve because of the problems of 1970-71 in the United States. At that time the United States government was faced with the dilemma of unemployment and a run on its dollar. In order to stimulate its dollar the United States economy would have had to lower the interest rates. There were hundreds of millions, if not billions, of Euro-dollars chasing around Europe and elsewhere, arising out of Marshall aid and the continuation of the United States generosity in the rebuilding of Europe and Japan. This money, which had been invested in the United States at the then higher interest rates, of course took flight when interest rates were lowered to stimulate the domestic economy and was chasing higher interest in other parts of the world.

The picture repeats itself here in Canada. It repeated itself in Australia. It is such a familiar picture to those who understand a little bit about international monetary relations that it has become somewhat dreary—not only dreary but distressing to see the same mistakes repeated time and time again.

We saw the United States abandon the fixed price of $35 per ounce for gold. As a result of certain pressures from South Africa, the Soviet Union, France and others, the price of gold went crazy. It went to $170 per ounce and possibly higher. Some people paid $200 per ounce. That bubble burst, although the price is still well in excess of $35 per ounce, but then so it should be considering all the factors. It is much closer to reality than it was two years ago, however.

We have the unsolved problem of Euro-dollars chasing Euro-dollars and ending up in the pockets of a number of OPEC countries.

This whole situation has been turned around. The agreement to which reference is made in Bill C-18 does not in any way represent the situation today. The agreement was arrived at after a great deal of patient work and concessions. It had to apply all over the world and some people had to have their arms twisted behind their backs—there is no doubt about it. Cognizance had to be taken of countries, like Canada, which wanted to belong to the club, signed the request for membership, and then stepped outside. Since 1970, instead of being a regulated current account, we have applied ourselves to maintaining a fixed relationship with a base currency. For the second time Canada has said, "This does not apply to us. We belong to the IMF, but do not think we are going to be caught as we were in 1962, trying to maintain a fixed relationship."

Of course we have gone through crises. In 1962 there was a crisis. The Canadian dollar had been away over-priced and the world suddenly came up with the definitive answer, abetted by the then Minister of Finance who knew that our trade could only recover if our dollar came down. Certain aspects of that, I found, related to the economic nationalism of 1935 and the years before that.

In 1968 we had an even worse crisis, if the truth be known. It is only apologists for the then Liberal administration in the media who have failed to tell the people of Canada this true state of affairs with regard to that financial crisis of 1968. There was a deliberate suppression of information. It was available to the then Leader of the Opposition who, like the statesman he was, refused to engage in certain tactics which, while they might have been of some advantage politically to him and those of us who were his supporters, would have meant but a pyrrhic victory in so far as the Canadian economic system was concerned. It would have gone flat broke.

● (2030)

During the last year we saw a drive against the Canadian dollar, undertaken for certain reasons. Incidentally, I am not a great lover, a great admirer, of the Bretton Woods Agreements. I think it is too rigid. I think a creeping average was called for, an average outside the limits where it would have been possible to make money from arbitrage. At present such fixed limits for people involved in arbitrage are merely a licence to print money. We are on a so-called float right now, but few people in the world can afford to go back to the jungle of the 1930's.

How many people can adjust to measures for preserving order? When you introduce such measures some immediately say, "We are not going to abide by the rules." We have seen some highly questionable devaluations motivated purely by

economic advantage and the thought of doing your neighbour "in the eye." To me that is distressing, far more distressing than some of the regulations it has been necessary to impose on some developing countries which think capital and revenue are merged in one and can be eaten at the same meal.

When this bill is before the Standing Committee on Finance, Trade and Economic Affairs I hope we shall be able to have the kind of discussion we had in March and April, 1966, with Department of Finance specialists in international relations. Let them explain to us the exact meaning of some of the terms we are discussing, because I do not think any member of this House is expert enough to say exactly what is meant by the term "International Monetary Fund," or by "the Bretton Woods Agreements," or to explain the terribly complicated system of international exchange, the workings of commodity accounts, or how exchange funds are manipulated for the purposes of earning an income.

How can one explain Canada's present shortage of development capital when Canadians and Canadian companies are investing $5 billion in the United States? Because of this government's restrictive measures, Canadians are investing in other countries. Their investments are welcome in the United States. You can see Canadians investing in New York skyscrapers, in buildings in Dallas, Fort Worth, Denver, Minneapolis—you name the place and you will find Canadian investment there. Our people are not only investing in property; they are investing in the production of goods. Why? The reason is obvious.

We, in Canada, have indulged in self-delusion on an enormous scale for the past couple of decades. We have built up huge social programs, inflated wages, shortened hours, and indulged in plain dodging at all levels of industry, from management to the floor sweeper. Apparently some have not learned that you cannot take more out of the economy than you put into it. Consequently, what do we have in Canada: excessively high unit costs of production, low returns, and Canadian individuals and corporations seeking to invest in the United States. Why are they investing in that country? They do not have to face the hassle of government there as we do here. There the government is not hell bent on hassling business and individuals to provide the economic base with which government can take care of the less fortunate.

Somehow or other, anyone who does something constructive in Canada is immediately fingered as a victim, as one who must be cut back to the level of the lowest common denominator, to the level of sheer mediocrity. That is what we have in Canada. Does that thinking extend to our international relations? It is one of the problems underlying our concept of the International Monetary Fund. These things must be examined in greater detail in committee.

I have nearly used up my time. I do not think I have changed my views greatly in the last ten years about the Bretton Woods Agreement. By and large it has worked well. It was never designed for the protection or enhancement of any one currency or group of currencies. It was designed for the well-being of the currencies of the world. There are pluses and minuses to the agreement, or, as some would say, to the agreement there is an upside and a downside. I hope the committee will find the time to consider this legislation, althought it has a surplus of other legislation it must consider. I hope officials will explain to us the workings of the international monetary system because, really, no individual member is qualified to add one cubit, one inch or one centimetre, to use modern parlance, to this bill.

In conclusion, I raise a point on which my party will insist. Bill C-18 is related to Bill C-5, and Bill C-5 is to be considered at the report stage. I have set down an amendment to Bill C-5, and I and my colleagues are adamant. There is no way the Minister of Finance (Mr. Macdonald) is going to receive reports from the Auditor General of Canada, to deal with as he sees fit. Those reports are going to be made to parliament, and on that point the Minister of Finance will find us absolutely insistent.

[*Translation*]

Mr. Eudore Allard (Rimouski): Thank you, Mr. Speaker, for this opportunity to say a few words on Bill C-18.

Canada is about to make an important amendment to the Bretton Woods Agreements so that the contribution of our country could reach 1.357 billion dollars in special drawing rights. That initiative, Mr. Speaker, is certainly commendable because it shows unquestionable concern on the part of this country for the fight against poverty in the world.

Indeed, that amendment will allow an increase in Canada's subscription to the International Monetary Fund and to the International Bank for Reconstruction and Development. However, that is not the purpose of my intervention tonight but rather the merits of the Bretton Woods Agreements. It will be remembered that that international agreement was initially intended to provide for the establishment of privileged trade relations designed to put the economies of war-tried countries back on their feet. That was in 1944. Two drafts were submitted at the Bretton Woods conference at that time, one called the Keynes draft prepared by the world renowned economist, John Maynard Keynes, and the other one by Harry Dexter White, special adviser on monetary issues to the Secretary of the U.S. Treasury. The conference passed, after discussion, the White draft. However, the author of the White draft cast a shadow over the Bretton Woods Agreements because he was later identified as a Soviet agent. So now we have to deplore the fact that the agreements did not bring the results hoped for.

Indeed, they had more of an accounting effect in the international play of the balance of payments than of fulfilling the hopes of socio-economic development they had given rise to at the outset. It is being realized today, Mr. Speaker, that the agreements allowed rather the richer countries to increase their wealth and the poorer countries to increase their poverty. There was a desire to protect European countries from the communist threat. However, we see that several Common Market countries must now face a stronger threat that could reduce the influence of those belonging to the free world.

That brings me to say that the Bretton Woods Agreements should perhaps be rethought after 20 years to allow, among other things, a real fight against inflation in all countries. All countries of the free world are complaining about inflation today. And, on the other hand, we see third world countries reducing considerably their borrowing or purchasing power. Money costs more and products have risen in price, so Third World countries are not advantaged.

● (2040)

In fact, we might say that the Bretton Woods Agreements have been more benefit to highly industrialized countries reducing more and more their geographic number while reducing also the number of the beneficiaries of those agreements. Of course, the states benefit from it as their balance of payments becomes positive but their enterprises do too. So, indirectly, multinational corporations are the most privileged.

Mr. Speaker, the danger is that so-called free countries lose some of their freedom because such agreements create the feeling that the freedom, the independence and the power of countries are too intensively related to the survival of their multinational corporations. It is dangerous to think that the failure of an enterprise might someday reduce the value of the national currency at the international level.

If South American countries got together tomorrow and nationalized American companies without any compensation, it would significantly reduce the value of the American dollar. It would be so if some countries refused to supply some American and Canadian processing industries.

The Bretton Woods Agreements did not deal with that issue and only provided for the creation of a monetary fund ensuring the stability of currencies and they also help countries with economic problems. However, we might wonder if those agreements with their lists and their statutes, are not killing very slowly our democratic system by encouraging development through big corporations. The communist countries have always followed the philosophy of Karl Marx who said that in its logic, the capitalist system was going to destroy itself. If you consider the inflationary spiral which benefits of course those who are rich and are not prepared to accept a reduction of their income, and if you consider that richer countries increase their wealth and that poorer countries are unable to recover, we seriously doubt the spirit of those agreements. According to the logic of the capitalist system it might have been better if those agreements had a social dimension paralleled with an economic or monetary dimension. It might have given less importance to the notion of profit and balance of payments which, I think, would have been more advisable.

It should be recalled, however, that our capitalist system is certainly the only one that allows the individual to express his creativeness and organization spirit. But such systems should not be allowed to promote the rising up of state movements in various countries, if there is no other way than state interference to cope with foreign business takeover. We must find a way in which countries will not have to become entirely dependent upon foreign businesses to restore their economy, thus depriving themselves in a non-independent or sovereign manner from their natural resources. The North-South Conference which is to start new sessions in Paris should bring about new hopes. This co-operative spirit between rich and poor countries did not exist in the original Bretton Woods Agreements. We hear a lot about a new economic order which will finally bring about peace among the people of the world.

I hope we shall be wiser this time and rather than moving in a direction which means 30 extra years of broken promises and expectations, we shall opt for an approach that will enable people to enjoy the benefits derived from our resources without being continuously threatened. The Bretton Woods Agreements have done nothing to solve major economic problems; they were simply the product of professionals and experts who are more interested in balancing international accounts than feeding the world populations. I wish to repeat, Mr. Speaker, that the willingness of this government to increase its contribution is not wrong in itself but the organization referred to should reflect for a while upon its true role and its importance to the promotion of a democratic living system. I suggest that the Bretton Woods Agreements have had more impact on accounting procedures than on social considerations. That was not their purpose but if the agreements had had a social impact, they would not have been too bad after all. Our democratic life style at the international level will probably be improved.

● (2050)

[*English*]

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I want to begin by complimenting the minister on bringing forward Bill C-18 at this time in view of its important subject matter. We know that the intent of the bill is to ratify the IMF amendment to provide for an increased Canadian quota for the IMF and the International Bank for Reconstruction and Development. The purpose of my intervention is to make some comments concerning a passage in the minister's speech this afternoon in which he suggested that all of us ought to remain sensitive to the difficult circumstances developing countries face through higher energy prices and a drop in export earnings.

I want to make some comments of a constructive nature about the ramifications of the Bretton Woods Agreement and the revision of the IMF which has now come about and has led to Bill C-18, but before doing so I have to deal with the comments of the hon. member for Waterloo-Cambridge (Mr. Saltsman). This afternoon he made some comments which I thought displayed a somewhat myopic view. He spent considerable time responding on behalf of the NDP and trying to drive a wedge between myself and the hon. member for York-Simcoe (Mr. Stevens) who had replied to the minister on behalf of our party.

The hon. member for Waterloo-Cambridge made what I consider to be a rather silly attack when he offered, first of all, a premature judgment on the alleged differences between the hon. member for York-Simcoe and myself. I say that because I

had not yet spoken when the hon. member attempted to drive his wedge between us. I suppose he did so on the rather spurious ground that the hon. member for York-Simcoe was taking a domestic view of Bill C-18 whereas I would be looking at its international implications.

I suggest to the hon. member for Waterloo-Cambridge that when the hon. member for York-Simcoe and I are talking about a stronger Canada being necessary in order to fulfil international responsibilities, we are talking about the same thing. The hon. member for York-Simcoe made a very strong attack on the economic performance of the government, an attack which I share. The hon. member was warning against high interest rates, trade imbalances and secrecy of negotiations, and he concluded his speech by saying that he does not want Canada to be bailed out by the IMF in the same way the U.K. has been bailed out.

When I look at the performance of the government, and particularly at the way we signed our name to the London communiqué which issued from the Downing Street summit a couple of weeks ago, it is a matter of great concern to me that when we espouse rather high flowing concepts about how aid to developing nations ought to be improved through international conferences, we do so without at the same time recognizing that we have been unable to solve unemployment in our own country. That is the point that the hon. member for York-Simcoe was making and the nuances of the point seem to have been missed by the hon. member for Waterloo-Cambridge.

I find the hon. member's attack rather silly, as mine would be were I to attack the hon. member for Waterloo-Cambridge for a point that he made toward the conclusion of his speech. He made the rather interesting point that part of the reason why we are not doing well in this country is that people are not responding to the call for harder work. His own leader travels around the country making telling points about how hard it is to get work in this country, and I wonder whether his own leader would agree with that kind of comment. However, I am not going to attack the hon. member for Waterloo-Cambridge since I recognize that he brings a perspective to Bill C-18 which might be different from that of his own leader and the two of them can work out their own approach. I say only that I think it is very unfortunate that the hon. member for Waterloo-Cambridge attempts to imply that the Progressive Conservative party is talking out of both sides of its mouth in regard to improved relations with developing countries.

If the hon. member wants to know what our policy is, I can tell him what it is, in a nutshell. Our policy, which is the basis for my remarks tonight and I know is fully shared by the hon. member for York-Simcoe, is that international co-operation is now a prerequisite for peace and stability. The primary purpose of economic growth should be to ensure improvement of conditions for all so as to allow every individual on earth to fulfil the basic right that he has to food, shelter, health care, education and employment. These are the things for which we stand. We believe that it is high time we should stop talking negatively about the problem of the rich-poor gap in the world and should start talking positively about the structural changes which are coming into play and which will lead to an improvement, in human dignity right around the world.

We share the view offered by the Secretary General of the Commonwealth, Mr. Shridath Ramphal, who pointed out to the sub-committee on international development meeting here in parliament a few weeks ago that the improvement in the living standards of developing countries is not only consistent with, but necessary for, the preservation of high standards of living and continued improvement in the quality of life in the "have" nations. In other words, improving the purchasing power of people in the developing regions will lead to increased markets for goods from the developed countries.

Unlike the NDP, we are not advocating merely redistribution of a static world income; what we are advocating is that the higher incomes sought by the poor through commodity arrangements and better access to rich country markets will signal the potential for significant growth in world economic activity. That is the basis for the realistic policy which our party offers on international development.

It is against that background that I now consider Bill C-18 and return to the comments made by the minister in connection with his deepening sensitivity, and those of other members through ministerial representations at the IMF, about the deep problems of the developing nations which now constitute the great majority of the membership of the IMF. The IMF now has 128 members, of whom more than 100 are classified as developing nations.

In considering Canada's role in the revised IMF agreement, I think Canada has a new opportunity to direct our international efforts toward accelerating the process of what I call structural transformation in developing nations. The need for this structural transformation has been made very clear by the final report of the Commonwealth experts group entitled "Towards a New International Economic Order", which was issued on March 14, 1977. As the House knows, the Commonwealth experts group, including the distinguished Canadian, Mr. L. A. H. Smith, Canadian High Commissioner to Barbados, has been meeting now for two years and has published the third and most definitive of its reports on what needs to be done in order to make some structural progress in improving the self-reliance of developing nations. We must remember the Commonwealth experts' report is of particular significance to this House because of our own role in the Commonwealth and also because the Commonwealth contains 80 per cent of the one billion people who live in the Fourth World, that is, one quarter of humanity—people who live with incomes under $200 a year. The ten Commonwealth experts have emphasized that if present trends continue the balance of payments situation of developing countries will become progressively unmanageable. Even under optimistic assumptions prevailing growth rates will not result in any reduction in the income gap between the developed and the developing countries by the end of this century.

● (2100)

I would like to interject here by pointing out the seriousness of the growing gap between the rich and the poor, despite 25 years of foreign aid which is now outmoded in its concept completely. The significance is revealed in the report of the subcommittee on international development. That is the report which was tabled in this House last Thursday. It makes the very telling point that the debt of the developing nations has now increased to $165 billion. That is the total debt of developing nations toward the developed nations. Over a ten year period that is an increase from $35 billion. The situation is getting worse as a result of the increased debt which the developing nations are accumulating. I will speak about the causes of that in a moment.

Structural transformation requires many changes in the relationship of developing and developed countries concerning commodity agreements, transfer of technology, and renewed access to capital, which is the most important, by the developing countries. Structural transformation requires a policy framework within developing countries which encourages high levels of productivity and innovation. It is not enough to talk about the responsibilities of the developed nations to move toward better international arrangements. That would only be a rhetorical exercise, unless those changes are accompanied by internal efforts within the developing nations. These efforts should lead to a widespread commitment to the development effort aimed at the whole of society rather than the privileged few. It is a two-pronged attack on closing the gap that is at the heart of the United Nations' message to the whole international community through the series of forums which are going on presently.

The international community has a primary responsibility to find ways and means of ensuring developing countries get the necessary resources they need from outside for their development. These structural changes will require modifications to existing international arrangements. That is what we have before us tonight. Only in this way can minimum levels be reached in all countries. As the Commonwealth experts insist, this represents a precondition for the achievement of greater stability within the international community and of world peace.

We need to adopt more pragmatic approaches in assessing the developing needs of individual countries. One of the tasks to which industrialized countries have addressed themselves is the alleviation of the foreign exchange constraint in developing countries. I have spoken of the immensity of the problem the developing countries are facing with their international debt now up to $165 billion. We ought to view these problems in positive terms, rather than just negative terms.

We must remember what Mr. Ramphal said to the subcommittee on international development. It is essential for developed countries to take part in improving self-reliance within the developing countries in order to expand the buying power within those countries, thereby providing very large and new markets for the people in the developed countries. Thus, it is very much a self-interest argument we are advancing. We know a number of steps have already been taken in international forums such as UNCTAD IV and now SEAT, which is coming to a conclusion in a week or so.

[Mr. Roche.]

Without going through the wide spectrum of measures which are before international forums now, such as commodity agreements and the transfer of technology, I want to concentrate on the field of finance, which is proper under the terms of this bill. Commonwealth experts have said that decisions were taken by the interim committee in Jamaica, the International Monetary Fund and the World Bank, which sought to reconcile the positions of the developed countries on financial questions.

Given a very brief review of what has gone on in the past year or two, it is important for the members of the House to consider Bill C-18. We will note that floating exchange rates have been legitimized, and countries have been given the option to adopt any exchange system they wish. The official price of gold was abolished and the principle of making SDRs the principle reserve asset was accepted. The conditions of access to the IMF compensatory financing facility were liberalized, and the oil facility was discontinued. The trust fund, which is funded from the profits of the sale of one sixth of the Fund's gold and from voluntary subscriptions, is expected to accumulate $1.5 billion over four years and will be used to provide balance of payments support to the poorest countries. That action probably led to the minister's use of the word "sensitivity" in his address this afternoon. Moreover, the quotas in the International Monetary Fund were increased by approximately one third, and marginal changes were agreed to in the voting pattern of the Fund to give a greater voice to oil producing and exporting countries.

The capital of the World Bank was increased by $8.3 billion, and the decision was taken to freeze the bank's growth lending at $5.8 billion and to increase the cost of loans made by the bank. Agreement was reached on the fifth replenishment of IDA of $7.6 billion which would just maintain the real value of IDA lending over the next three years.

However, there are many areas where decisions and action are still required. One of those areas is the decision which still remains to be taken on the proposal to liberalize the IMF compensatory financing facility in a way which would stabilize, around a growing trend, the real export earnings of developing countries from commodities. That is the heart of my message to the minister tonight. I would ask him to consider the improvements which need to be made in the way the Commonwealth experts have suggested. The existing scheme still restricts drawings under the facility, both in respect of annual amounts as well as in the aggregate, to percentages of a country's quota in the fund.

The international community has not yet addressed itself to the problem of how to deal with the change in the balance of payments needs of developing countries in the new circumstances which the non-oil developing countries face. Moreover, attention has not yet been given to increasing the supply of development finance to these countries on the scale required

by the capital investment which they must undertake if they are to satisfy their basic needs in an acceptable period of time.

The Commonwealth experts are critical of the fact that internationalization of control over liquidity creation has not been advanced. I will quote a sentence from their report to indicate the way in which they would like it to move forward. It reads as follows:

Measures to increase the access of the developing countries to the credit facilities of the IMF on a scale, and under conditions which would have regard to their balance of payments needs, and the establishment of a link mechanism between SDRs and development finance, remain in abeyance.

In other words, consideration is asked for linking SDRs and aid. For a long time we have played around with that concept. As one who studies the developing field, I cannot understand why progress has not been made on the linkage between SDRs and aid. The movement of the IMF in the agreement before us is a step in the right direction. We need the support of industrialized countries to take another step forward.

On the question of debt, decisions still remain to be taken on the adoption of guidelines for a generalized solution to the problem of alleviating the debt burden of the non-oil developing countries.

● (2110)

I would therefore ask the government to give serious consideration to implementing the financial recommendations made by the Commonwealth experts, and particularly to consider the principle of building up the SDRs as the principal reserve asset and one which can be a new instrument in the structural transformation of developing countries. SDR allocations on a link basis rather than the IMF quota basis would require smaller aggregate allocations, since countries with adequate reserves would not need to be provided with additional SDRs. In this way the application of SDRs to developing countries could be enhanced. Improved access to existing fund facilities is only part of the larger package of measures needed for dealing with the problems of disequilibrium in the developing countries. Other measures in that package, the Commonwealth experts note, would include traditional capital flows such as development assistance and private investment, all being required to finance the establishment and fuller utilization of the needed production and infrastructure facilities.

We have had a lot of experience in ways of trying to help developing countries, and when the Commonwealth experts offer us some of the lessons of that experience we ought to listen. The first of these lessons is that as long as developing countries depend predominantly on primary commodity exports the gains from resource transfers will be substantially offset by falling and unstable earnings from commodity exports. Arrangements for the stabilization of primary commodity markets are therefore a necessary condition for realizing the fullest advantage from resource transfers. It is in this spirit the suggestion is made for increasing capitalization flows in the developing countries so as to help them become self-reliant and halt the apparently never-ending cycle of increasing aid which, in the end, only makes the problem worse since most of the aid which must come from other countries includes a servicing factor which compounds the debt.

I believe we ought to increase the momentum of development beyond the merely holding operation so far achieved. For example, the Commonwealth experts look to structural transformation to finance works on a scale which some find it difficult even to envisage at present. For example, programs to arrest the southward movement of the Sahara Desert in the Sahial area, flood control and protection against typhoons in Bangladesh, rural electrification and the provision of pure water supplies in many areas of the world. The experts believe that this would require both a substantial stepping up of bilateral efforts and further strengthening of multilateral and regional institutions. Of course this means maintaining ODA for the time being and recognizing that, instead of going ahead, the industrialized countries are falling behind in commitments. Developing countries not only need an increase transfer of resources but the assurance of a continuing adequate flow in automatic ways.

I want, for a few moments now, to complement the findings of the Commonwealth experts by drawing attention to the report of the sub-committee on international development which has now produced its second report—the first was issued last year. This report, which was tabled in the House last Thursday, deals with the debt problem. The debt problem might not sound very interesting, but as we get into it we realize that the debt I spoke about a few minutes ago is a manifestation of the need for structural changes to be put into effect, changes which were never anticipated when Bretton Woods was set up following the Second World War, for one reason because most of the nations which were members of the IMF were not even in existence at that time.

As we consider what the sub-committee has reported—I might add that this report carried the unanimous support of all parties which participated in its preparation—I might say that the debt picture is complicated to the extent that most of the debt is owed by countries which are in the middle to upper range of the Third World, that is, countries which have a growing capacity to repay their debt. The debt is not held in large measure by the least developed countries, the reason being that they do not have credit or reputation to justify creditors extending large amounts of funds to them, certainly not in commercial or private terms.

The debt which the least privileged countries have accumulated comes in large measure from international development assistance. It is certainly no concern of mine that the developing nations have difficulty in paying that debt. I think they will repay it eventually though I believe some rescheduling arrangement will have to be made. It is in the interest of the private institutions which hold this debt in the developing world to put pressure on the industrialized countries, probably at CIEC as well as in other international forums, to reschedule the repayment provisions, possibly on a case by case basis so that there will be no defaulting. But, as I say, that is not my principal concern.

I am concerned about the way in which the nations of the developing world are piling up debt because they cannot find ways to industrialize their structure or to acquire capital in the manner in which the Bretton Woods Agreement was originally meant to make possible in the case of countries which are very much in the driver's seat in the world. The developing nations need access to capital if they are to achieve any form of self-reliance. There arises, then, a debate between the developed and the developing countries. It began in terms of polarization with demands of a somewhat impossible nature being put forward by the group of 77—it now numbers more than 100 nations. For example, they wanted the cancellation of the whole of the ODA-related debt or its total rescheduling. These were steps which it was totally impossible for the developed nations to accept. The developed nations, for the most part, turned an unsympathetic ear to the message which was coming through, namely, that there would have to be changes which would go far beyond aid.

I believe Canada has shown its good faith by writing off the debt owed by Bangladesh, a country which is perhaps at the lower end of the Fourth World scale. But perhaps we have not felt, because we are not contributing to the horrendous figures of international debt, that it is our responsibility to take any leadership role in finding a solution. It is there that I find government action or, to be more correct, inaction at fault. First of all, it is in Canada's interest to note that, of the total debt picture, $9.8 billion is owed to Canada through commitments made through the Canadian International Development Agency, the Export Development Corporation, as well as private banks, and therefore Canada's involvement in the solution to the debt problem indicates that we ought to be more aggressive. That of course was the finding of the subcommittee on international development. The subcommittee report states:

● (2120)

The government does not look favourably on debt relief in the form of a cancellation of debt, conversion of loans to grants, or waivers of payments.

That may be all very well, but I think it would be better if we, as the subcommittee has noted, supported and promoted the creation of multilateral mechanisms designed wholly or in part to provide balance of payments support for the developing countries, notably those mechanisms connected with IMF.

This brings us to the obligation to take initiatives. I will indicate one or two initiatives which the subcommittee thought it would be useful for the government to take. I think, now that we have Bill C-18 before us, it is certainly the moment to give consideration to these views. The first is as follows:

Canada should press for the establishment of a mechanism and procedures for the multilateral renegotiation of debt which will ensure balanced representation of the legitimate interests and needs of both debtors and creditors.

Canada should advocate an international agreement on a set of flexible guidelines concerning how the mechanism would be activated, the factors which would be investigated and taken into consideration and the broad types of policy measures which might be proposed for the debtors and the creditors.

In other words, this is a specific way in which Canada would press an international forum for a mechanism that would, first of all, deal with debt as it is now constructed and, secondly, lead to a way in which there would be a better allocation of existing capital in the world in the manner that the IMF is beginning to talk about. This will, of course, mean our involvement with an increasing number of multilateral, development oriented institutions, such as the World Bank. As we do that, I hope we will press for an international agreement on a set of flexible guidelines concerning how such mechanisms would be activated and the factors that would be investigated and taken into consideration in each case.

In summary, what we see now—and certainly the subcommittee made this point clearly—is a need for improved and expanded multilateral balance of payments support, specifically in the IMF. While the IMF was not originally concerned with developing countries, as was noted by the subcommittee, access to its facilities was roughly proportionate to the national wealth. Now we know it is changing. In recent years it has paid them increasing attention, for example, through the establishment of the compensatory financing facility and the oil facility, and in discussions of the proposal for an SDR link. What is more, through the route of the subcommittee on international development we came to the same conclusion that the Commonwealth group of experts arrived at, namely, that the time has come to advance the idea of an SDR aid link. The subcommittee said it welcomes these developments and urges the further expansion and liberalization of such facilities.

Before I put the report of the subcommittee aside I must note one of its recommendations because it is of such importance as the House begins to consider not only Bill C-18 but the work of the north-south conference that is bringing together such an array of complex instruments which will have to be brought into play to close the rich-poor gap, instruments such as commodity agreements, trade liberalization, transport technology, and improvements in the IMF.

What the subcommittee states is that there is a very urgent need for some central body to gather and report information on all important aspects of Canada's economic relations with developing countries. Such information would include debt, both public and private, as well as aid, trade, and other relevant statistics.

I find a great amount of difficulty—the minister may not because he has a lot more help than I do—as I try to bring together in my mind the various ways in which our government is responding to the whole development question in the developing world, as we try to reconcile the various policies of the government implemented by aid through CIDA and the spending of $1.1 billion, and the problems it has with trade liberalization and industrial adjustment programs that we are beginning to talk more and more about, and international financing agreements. I think it is in the interests of the government to reconcile those policies, not only with an interdepartmental committee that may be meeting on an ad hoc basis, but in some formal instrument.

That is why I think the time has come for the appointment of an advisory committee on international development to be

made up of representatives not only of the House but representatives of business, labour, the academic community, churches, those main bodies in our country, particularly NGOs who have a constructive interest in bringing together the policies of the government, so that if we are at least going to take a pragmatic view, and if we are going to spend $1.1 billion just on CIDA, we should try to have all our policies harmonized so that we could get better value for the money we are giving. Only in this way can parliament and the general public begin to understand the interrelationship of issues, problems, and performance of Canada's response to the UN's call for a new economic order. That is the thrust of the subcommittee's report.

I conclude on that note and ask the minister, when he closes the debate, to give me a response as to whether or not the SDR aid link is a realistic policy which should be given serious consideration at this time inasmuch as serious bodies are bringing it before us. The ultimate goal should be the evolution of IMF into institutions performing functions in the international sphere similar to those of a central bank in a national economy. That is the way the world is going and I think it is in Canada's interest to advance in that way.

We need to stress a more balanced participation in the decision making process of the Fund by all groups of countries, including the developing countries. The present serious imbalance between the developing countries in the control and management of international financial institutions is a consequence of transplanting to the sphere of these institutions the principle of voting rights being proportional to financial contribution. I am quoting from the Commonwealth experts' report which states that this principle, which may be appropriate in the corporate sector in an industrial society, is not necessarily valid in relation to the purposes of international institutions. For this reason, the capital structure and voting rights in the regional development banks which were established later are different. We could learn from the original Bretton Woods Agreements. A similar approach needs to be adopted in the case of IBRD and IMF.

That is my approach to Bill C-18. I hope that when we get to committee, some of the details of the bill can be worked out, but I want to rest my case finally as I restate it again, because I want to make clear the thrust of my view that we should consider developing countries should have a priority call on SDRs through some form of linked mechanism. We can see that there are no insurmountable technical difficulties to the establishment of such a link, and its inauguration need not await the completion of a comprehensive package of further reforms in the international monetary system.

● (2130)

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, it is a pleasure to take part in this complex debate this evening on the very esoteric subject of international finance. I have an historical interest in the debate. In my first term in parliament I resolved at one point never to let an opportunity to debate the subject of the International Monetary Fund and the World Bank to go by without saying something.

I have been moved to study *Hansard* for December, 1945. That is when the original debate on the Bretton Woods Agreement took place, and I found it very interesting to read some of the speeches which were delivered at that time. There is one conclusion which can be drawn from reading those speeches, and that is that anybody who said anything derogatory about the Bretton Woods Agreement, whether living or dead, has become a minor prophet, because all of the predictions have come true.

Whether there is a direct casual relationship between the predictions and the Bretton Woods Agreement is hard to say, but I can give examples. "In the end it will mean the dissolution of the British Empire." That was said by a former member of parliament for Broadview, not the present member for Broadview by any means, as the hon. member would be quick to point out. Those words were spoken by a Mr. Church. Certainly the British Empire has dissolved, and the prophecy has come true.

Mr. Church said later in that same address that, and I quote, "It will cause dearer money". There is just no doubt about that, as anybody who has tried to borrow from any lending institution lately knows. It was described as "a scheme to put United States gold to work." We can recall that at the end of the Second World War there was great concern about the amount of gold amassed by the United States over the years. That prediction was made by a former member for Lethbridge, Mr. Blackmore, and of course it also came true. What he did not predict at the time was that we would see the United States transferring a great deal of its gold to France, for example, but it certainly has been put to work since the original agreements. Mr. Blackmore also said that the agreement was "a mechanism for binding the moneys of all the nations to the United States dollar," and that certainly came true.

The hon. member for Edmonton West (Mr. Lambert) has spoken at length about the Euro-dollar and the role it played in the years between then and now. He too was a prophet in his time.

Another speaker in that debate, a Mr. Quelch from Acadia, said, "Nations will be forced further and further into a state of unpayable debt". The hon. member for Edmonton-Strathcona (Mr. Roche), who preceded me, reminded us of that prediction and how terribly true it was.

Mr. Quelch also said the agreement was "an act of treachery against the British Commonwealth of Nations", which echoed the original statement by Mr. Church. Again one suspects that the Commonwealth of Nations is not now in the shape it was at the time of the original debate.

Forecasts were gloomy, and the results have not in many ways been good, save in allowing a large part of the world to trade more freely and for the standard of living of a great part of the world to rise. One suspects that the stabilization of currencies had something to do with freeing trade, but again

we have reached something of a crisis point. I have a feeling that anyone in this debate who is prepared to make a gloomy prophecy could probably find, given 30 years' time, that he would turn out to have been rather prophetic as well.

The setting up of the International Monetary Fund and the World Bank was fought by the then Social Credit members in the House. In fact they launched something of a filibuster while denying all the time that that was what they were about, and they held up the passage of the original bill. I was a little disappointed this evening when I was listening to the Social Credit member who preceded me in this debate because the old fire did not seem to be there.

In the statement which was read to us there were actually words of praise for the International Monetary Fund and for its role in present trade. There were some rather optimistic forecasts as well. I should think that if some of the people who spoke in that debate in 1945, wherever they are, were to get word of this, they might be readjusting themselves slightly in their graves.

However, one thing they would all recognize is that in addition to the International Monetary Fund there is now a Special Drawing Right. That was just being considered during my first term in parliament, and in reading the material which was being made available at that time describing the Special Drawing Right I recognized pure Social Credit, and one can find confirmation of that in articles written much later. *The Economist* of July 6, 1974, for example, talking about the re-evaluation of the Special Drawing Rights, said, and I quote:

> When SDRs were first created in January, 1970, as reserve assets, literally out of thin air, a unit of SDRs was given the weight of gold equivalent, at the then official price, to one dollar.

The reference to thin air is true because here we have for the first time money which is created and value which is created out of nothing. The same article from which I quoted goes on to illustrate dramatically the basket in which the value of SDRs is set now. It is made up of U.S. dollars, 40 cents; the South African rand, 0.8 cents; the Austrian schilling, 22 groschen; the Spanish peseta, 1.1 pesetas, the Norwegian krone, 9.9 oere; the Danish krone, 11 oere; the Australian dollar, 1.2 cents; sterling, 4.5 pence; the French franc, 44 centimes; the yen, 26 yen; the Canadian dollar, 7.1 cents is our proportional share; and a few other currencies are listed as well. I always look a little suspiciously at graphs like that. It is described as a basket.

The hon. member for Edmonton-Strathcona knows how, when one comes into international terminology, whether it be with regard to aid, to the international fund or whatever, people love to use the word "basket". I always find it amusing and wonder why it is used. I presume it has to do with Little Red Riding Hood and the basket she carried to her granny, because there was an air of innocence about all that and perhaps a bit of solidity too. I suspect that part of the reason for shaping up the SDR with all these currencies involved is to suggest to the public that it is not really made out of literally nothing but is solidly based, which is, I suspect one of the reasons why it has not been terribly useful in solving the problems of the Third World.

[Mr. Johnston.]

It is still a rather difficult concept to grasp, and various speakers in the debate have mentioned how difficult it is to wrap one's mind around this whole monetary business. I do not claim to be an expert on it. One goes along rather intuitively, guessing and grasping at it and trying to bring it within some kind of scope of reason, but it is not easy.

● (2140)

Writing about the Special Drawing Rights in *The Conference Board Record,* John Hein puts this proposition:

> Suppose someone offered to give you, for free, ten blue $10 bills to put in your savings account alongside your "regular" money ("greenbacks"), provided you agreed to abide by some rules. First, your "bluebacks" could only be used to buy "greenbacks", and then, only when you needed to balance an overdrawn checking account; second, you must be willing to exchange your "greenbacks" for the "bluebacks" of the overdrawn person when you have a surplus in your checking account. Would you take the deal? You would probably answer, "Yes"—if you thought everyone would work together and no one would abuse his privileges.

It seemed to me that might be a sort of handy guide, but even so I agree with the article in the publication *World Financial Markets* for August, 1975, which states, on page 11:

> The IMF SDR is still surrounded by too much mystery and obscurity to gain quick acceptance as an international currency and standard of value.

That is part of the problem that we wrestle with in this debate this evening.

Another area that we have to be concerned about is the Third World debt reaching $165 billion. Six per cent of that is owing to Canada, according to the report already mentioned of the subcommittee on external aid of the Standing Committee on External Affairs. It is a rather disheartening account when we realize that such a vast sum of money is debt owed by the Third World and that a greatly increased proportion of that is owed to private banking interests—51 per cent in 1976 compared to 31 per cent in 1967. This would strongly suggest that the Special Drawing Right has not really been serving its role as fully as it might.

The business section of almost any newspaper reports on the problems that some nations have. The "Report on Business" section of the *Globe and Mail* of a couple of days ago referred to the staggering oil import bill of Greece which topped $1 billion for the first time last year. Greece is a rather small country which has almost reached its take-off point industrially but has not quite got there yet.

Another newspaper report talked about Egypt's problems and the fact that the International Monetary Fund was pressuring that country to make some basic reforms in the way it spends its money, a good part of which comes from the Arab world.

I find it rather interesting that in that basket I mentioned earlier there is no country from the Arab oil exporting world, and no currency from the communist bloc is there either. As long as there is trade between the communist bloc and the free world it seems to me that the whole business of international trade and aid will continue to be complex.

The Egyptians are constantly in trouble because they spend $1 billion on food subsidies. I spent six days in Egypt quite a few years ago and I can well understand why a food subsidy would cost that much now.

One wishes that the International Monetary Fund might move toward easing the tensions in the Middle East whereby a nation like Egypt could spend a little less on defence and a little more on its people. I think this is one avenue that needs to be explored by the International Monetary Fund.

We find the same problems in Nigeria where planning estimates for the next year total $15 billion and the current projected revenue is slightly more than $8 billion. There is going to be an enormous deficit and the situation is not going to improve.

I should like to make a reference to an extraordinary article in *The Economist* for May. It is entitled "Two Billion People. A Survey of Asia", and comments on what is needed in a good many of the countries of Asia. The author is Norman Macrae, Deputy Editor of *The Economist*, who visited the area and put together a rather unconventional report, and dared to take some rather unconventional approaches. Some of his words will be startling to a few hon. members. I know the hon. member for Edmonton-Strathcona would not agree with everything in the article, until we come to the end. If I have time to get around to that he might find we are not that far apart.

I am sorry the hon. member for Waterloo-Cambridge (Mr. Saltsman) is not here this evening. I listened to him this afternoon with some interest when he spent a great deal of time inquiring about speech writers for the hon. member for York-Simcoe (Mr. Stevens). I found that a little strange because as I listened to him there was no doubt about who his speech writer was. It was the hon. member for York-Simcoe because his entire address was given over to taking apart what had been said. The thoughtful discussion and discourse of the hon. member for York-Simcoe supplied all the substance of the somewhat distorted argument of the hon. member for Waterloo-Cambridge. I found that a little disappointing because one would have expected some original thought and preparation on such an important subject as this. I hope before this debate ends we will have at least one more spokesman from the New Democratic Party because someone must fill the gap and provide some constructive contribution to the debate. There is no point in moralizing endlessly if no thinking has been done on the topic.

The article I referred to is lengthy so I shall only read excerpts. On page 8 the article states the intention of the survey as follows:

> It will argue that government-to-government aid from rich to poor countries (which all worthy people in rich countries most especially want to increase, because it makes them feel worthier) should probably be abruptly reduced, because it now sets both politics and investment into tragically the wrong directions.

I realize those are rather strong words, but the more I think about it the more I feel he has a point. He claims that the survey will delineate some of the things that are necessary in order for successful development and industrialization of undeveloped countries. First of all, he says, establish a rural total employment, then have the introduction of cost-conscious technology, and finally find some way of making big business beloved and getting small government out of its way. Those are ideas that we might all consider as we look at this bill that deals with some hope for the Third World.

At page 17 of the article he offers four steps to take as follows:

> Go for total employment in the countryside, at just the moment when unsuccessful poor countries are usually industrialising.

There is sense in that. Next:

> Put a lot of money into the hands of rural landlords, at just the moment when "progressive" poor countries are usually expropriating them.

There is no comfort for the socialists in those words, and yet there is some wisdom there. He continues:

> Then go through a period of exploiting urban workers (i.e., paying them wages below their marginal productivity), in order to increase industrial profits.

That is heresy for most people these days, but he has a point. Next:

> Then, but generally at this late stage only, with annual GNP over about $300 a head, tactfully overthrow the rural squires, by a land reform that transfers agricultural production to entrepreneurial small farmers, but without causing class bitterness.

And then there are two other essential steps to development:

> . . . introduce cost-conscious technology, and make big business beloved and get government out of its way.

● (2150)

The article goes on to elaborate. I commend its reading to hon. members of the House. The author examines several countries in some detail and says that important lessons are to be learned from the Japanese. The Japanese have much to teach the developing world. They can show Third World countries that development in a non-European type of society is possible and that such a society can produce a modern nation. It is clear that Japan has retained its own culture, which is not a copy of the western world. Anyone who thinks it is is making a grave mistake.

The author quotes the directive given by the United States government to General MacArthur, who was put in charge of Japan after the war. The plight of post-war Japan was as desperate as that of any undeveloped nation. The country had been absolutely flattened. The directive issued to General MacArthur said:

> You will not assume any responsibility for the economic rehabilitation of Japan or the strengthening of the Japanese economy. You will make clear to the Japanese people that: (a) You will assume no obligations to maintain, or have maintained any particular standard of living in Japan.

The author of the article goes on to say:

> This unlovely doctrine of malevolent non-interference helped to spark the fastest advance of any industrial economy in history.

It seems to me there is a lesson to be learned. The author congratulates the Japanese for concentrating on the right approach. They concentrated first on the health of all their people and, second, on their education. We, in this country and the rest of North America, have fallen down sadly in recent

years in the way we educate our people. Whereas other countries have maintained an educational system of rigour and vigour, we, following the lead of Dewey and other United States philosophers, softened our education along with that of the United States. That is why we have encouraged so many problems in this nation.

Japan's was probably the first industrial revolution during which, despite large migration to the cities, crime rates went down. We waste much of our natural resources in fighting crime.

The author of the article has some advice for China, as well. He says big enterprises in China should compete with each other. Much of the article will give small comfort to socialists. The author says that it would probably be sensible for Chinese industry, including the towns, but especially industries outside them, to run the sort of welfare services the big Japanese companies run. That would accord with the spirit of the communes. It should be the responsibility of big enterprises to take care of people. I realize that in North America such an attitude would be called paternalism of the worst kind, but it has its merits.

The author considers Korea as well. All these points relate to the bill, to the Bretton Woods Agreements and to the Special Drawing Rights. He says in the article:

> The coming economic growth in east Asia, including China's, will not be as export-led as Korea's has been. This will create some balance of payments problems, including for China. I do not think these should be met by government-to-government aid, which has had all the wrong economic effects (encouraging cost-unconscious technology), the wrong anti-freedom effects (because it increases the power of governments against their people in Third World countries, in each of which it is much more desirable to increase the power of the people against their governments instead), and which would fortunately be regarded as insulting by countries like communist China anyway.
>
> Instead, there should be a return to the original ideas behind SDRs and other devices of the International Monetary Fund. When a country is developing at a good annual rate of growth without excess inflation, then its growth should not be stunted by balance of payments problems. A sufficient number of SDRs should be created—

Note the word "created". I continue:

> —to tide it over such deficits. It is unlikely that the excess creation of SDRs would have to be over $30 billion a year. This would add only a fraction of one per cent to the world's internal money supplies and would not be excessively inflationary.

I doubt if that advice will be followed because the Third World owes $165 billion. The money has been lent for a long term, some of it at good, high rates of interest. Lenders will want to collect their interest, and there is the suspicion that there will never be a default. I suspect that we, in this country, and the people of other developing countries will pay the debt in full, if there is not a total collapse. We run the risk of a collapse. If it does come, we will wind up paying for a portion of that $165 billion of debt.

If we continue to run the sorts of deficits which Liberal ministers of finance of the last several administrations have shamelessly run up, we shall find ourselves in a situation where it will be difficult for us to meet the requirements of the bill we are considering. We should know that the difficulties are there to confront us. Let us take note of the sums involved, and realize that they are separate and apart from the $1 billion which we will spend in direct aid through CIDA. We should study the article alluded to and ask ourselves if we should not separate these funds. If we are contributing funds to the International Bank for Reconstruction and Development, we should ask ourselves if that contribution should not be our commitment. In exchange should we not demand that the International Monetary Fund or the World Bank assume responsibility for those things which Special Drawing Rights were designed to handle? I am thinking of the financing of development in countries which cannot possibly repay money lent under the present system.

Mr. Ritchie: Mr. Speaker, may I call it ten o'clock, in order to permit me to continue when this bill is again brought forward?

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Martin: Mr. Speaker, I rise on a point of order at this time, bearing in mind certain important events which have today taken place in the country. I wish to mention for the record that in today's by-elections there were five Liberal victories and one Créditiste victory.

Some hon. Members: Hear, hear!

Mr. Goodale: The Tories are leaving.

Mr. Paproski: We have just begun to fight.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HEALTH—GERIATRIC RESEARCH—REQUEST FOR SUPPORT

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, on March 8 I drew to the attention of the Minister of National Health and Welfare (Mr. Lalonde) the growing aging population of this country and certain research findings which suggest that keeping people working beyond age 65 would be a partial answer to the problem. The minister promised to consider my representations, but I have heard nothing from him.

The number of senior citizens in this country is increasing, and our low birth rate means that this country's work force will be smaller in the years ahead. If present trends continue, in the next 20 years an ever larger proportion of our population will consist of senior citizens. Let me cite the experience of England. It is estimated that 21 per cent of the English

population will soon be 75 years old or older. By 1995, 25 per cent of the population will be 85 years old or over. Canada runs about two decades behind the U.K.

In the last century there has been a 30-year increase in lifespan, and the number of retired persons has increased greatly. I point out that the number of people alive today at the age of 65 years represents in total one third of all those who in the past 2,000 years reached that age. This is a great tribute and compliment to science and the medical field.

● (2200)

Today there are almost two and a half million people in England over 75, and in that country's universities there are ten geriatric chairs. Do you know how many there are in the whole of Canada? We have one whole geriatric chair at the University of Western Ontario, from where Your Honour comes. And we had to go to England to get that fellow. We did not have any of our own trained.

More than half the hospital beds today are occupied by old people. This is a great problem. We must do more research to prevent disease so that it will be possible through this research to keep these people in their own homes. There must be geriatric chairs in all universities across Canada, with proper training for those who can be oriented into this field.

Home care should be fully developed to treat these patients adequately and in many cases as well or better as in a hospital bed costing $150 a day. Sometimes people are better off in their own homes.

There should be early diagnosis and care, keeping the patient out of hospital with all its expenses and strange surroundings. This means that the federal government must spend more on preventive medicine which often gets the mouse's share, while spectacular proceedings, surgery and the like, grab the limelight and the money. This is the problem now, getting the money into the field of preventive medicine.

We must remember that the rate of learning varies little with age, as long as you have kept at it. Grandpa may be more keen mentally than you are, even though you may jump higher.

Work hurts nobody. Some people thrive on stress. Churchill, Bernard Shaw, De Gaulle and Ford were at their best and thrived on stress. They lived on it, the stress of accomplishment. People must live. They must have objectives. They must have purpose. They must be useful in this world.

I met a lady in church the other day. She is 101 years old. She went to church in the morning and to church in the afternoon, which is probably more than you and I did. It was a hot day. Afterward I saw her sitting out. She was a real inspiration to everyone; 101 looking hale and hearty. That is the kind of thing we must have, not poor people lingering in their beds in hospital, uncomfortable, suffering over the years, with few people caring or looking after them.

This is why I went after the minister for more care. He said he was going to do something about it. I hope he will because Dennis Timbrell, Minister of Health of the provincial government in Toronto took the lead, saying he will have more home care. Therefore, there can be no excuse from the federal government for not going ahead and doing something now.

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I am pleased that the hon. member for Simcoe North (Mr. Rynard), has spoken further to his concern. It gives me an opportunity to hear the discussion and to reply on a subject in which I am also quite interested. I do so in the absence of the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. McRae).

An hon. Member: Where is he?

Mr. Milne: As a matter of fact he is not far away. I think he is participating in a pretty exciting event.

The number of people 65 and over will increase significantly. The present absolute number is not expected to double until the first decade of the twenty-first century. The "aged dependency ratio", expressed as the number of people 65 and over per 1,000 people 20 to 64, is expected to increase from 155 to about 190 by the year 2000. In the same period the number of people under 20 per thousand people 20 to 64 is expected to decrease from 665 to about 420. Combining these two figures gives a net decrease in the over-all dependency ratio of from 820 to about 610. Therefore—I think this is a key point—the percentage of people in the working and taxpaying age groups will rise somewhat over the next 25 years rather than fall, as is the popularly held belief.

I want to assure the hon. member that the department is engaged in continuous demographic analysis, including the analysis of future labour force participation of the population 55 years of age and over. There is no doubt that pressures toward general earlier retirement could quite substantially increase the dependency ratios I mentioned earlier, both for the reasons the hon. member for Simcoe North spoke about and also from the point of view of this whole question of retirement pensions. On the other hand, greater flexibility in respect to the present almost mandatory retirement age of 65 could prove to be a very strong counterbalancing force, considering the proven interest of people over 65 to continue part time or full time employment, and considering the likely trend toward tighter labour markets in the future.

I see my time is rapidly drawing to a conclusion, but I want to tell the hon. member that the department is continuing its ongoing study into this matter. I think that on one of the days when we are debating health matters it would be well for either the minister or for his parliamentary secretary to speak on this subject at length, since there is a great deal of material which has been prepared by the department in which I think the hon. member would be very interested.

Adjournment Debate

REGIONAL ECONOMIC EXPANSION—MEASURES TO PROVIDE ALTERNATIVE EMPLOYMENT FOR THOSE AFFECTED BY CLOSURE OF LABRADOR LINERBOARD MILL

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I am sure hon. members will not be too surprised at the topic that I am going to raise tonight, not the least of whom will be the Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. Lumley). I should like to inform the minister, through him, that this is not the last time I am going to raise the matter either. I am going to continue to bring it up until I get some realization of the disastrous situation which exists in the western part of Newfoundland, and hopefully I can bring forward a couple of points tonight in addition to those I have previously brought forward.

The minister realizes, as does the House, that some 2,100 jobs are affected, either directly or indirectly, by the proposed closure of the Labrador Linerboard Mill, which is one of the most efficient and modern in existence, built at a cost of $200 million, but which is now going down the drain because of passive interest by levels of government.

I was looking at some statistics, Mr. Speaker, and discovered that besides the 2,100 jobs that are threatened, if we use the multiplier effect referred to by Statistics Canada, there is an effective ratio of three to one. In other words, rather than 2,100 jobs being affected, the true total is over 6,000. If you extend this to the payroll at the Labrador Linerboard Mill, which amounts to $24 million a year, this multiplier effect means that some $70 million is being lost to one part of Canada which cannot afford such a loss, since this is the second disaster which has occurred in the province.

I realize full well, Mr. Speaker, that responsibility for the operation of the mill lies with the provincial government of Newfoundland. But I have to say to the parliamentary secretary, for the attention of his minister, that if this closure becomes a reality in four to six months, the cost to both levels of government in terms of UIC benefits, severance pay and welfare, will be enormous and at least as much as, if not more than, they are going to lose by meeting the losses which occur.

I would also point out that the minister has a responsibility from the point of view of the infrastructure support provided by the Department of Regional Economic Expansion, particularly under the special areas agreements with the province of Newfoundland in the Stephenville special area. I mention a few of these which justify in great part the work done under these agreements, and the programs completed under the agreements, due to the infrastructure support for the establishment of this particular mill.

● (2210)

I will refer to the 1971 figures when the mill was about to begin. There was a loan of $2.2 million by the department to the municipality for water supply. They spent another $213,000 on reconstruction and paving of highways and roads because of the need to provide access from the wood resource. There was the construction of two very large bridges, again to provide access to the wood resource, amounting to $1.2 million. For the influx of population, the students and the children, they built a DREE access school amounting to $1.7 million. That is a total of $5 million under the first agreement. I have no fear in saying that since then another $5 million was spent on harbour facilities and more schools by the Department of Regional Economic Expansion to support the creation of that mill.

[Mr. Milne.]

The minister must consider the cultural and social effects, as well as the economic impact. I would like to list at random some of those: the relocation of workers and families which will occur; the relocation of businesses, started as a secondary industry as a result of the establishment of the mill; the creation of new businesses, including a massive shopping centre, hotels and apartment complexes with CMHC and other federal funding; the federal government's establishment of an adult training centre; the establishment of four high schools by local entrepreneurship's, provincial government help or by local school boards and local population; the massive undertakings in federal funding of housing programs; the investment in real estate, both private and public; and the commitments made by local municipalities in loans which have to be honoured and will not be honoured because of the economic destruction which will occur.

All this massive funding to support the mill will go down the drain because everybody is only given "pass the buck" interest and passive interest by saying it is not their responsibility. When the axe falls in four to six months, the minister must remember it will be his responsibility, along with the responsibility of the Minister of Manpower and Immigration (Mr. Cullen), to provide the funding and the administration to help revitalize and rehabilitate that part of Canada.

I can only ask the parliamentary secretary to pass these items along to the minister. Originally back six or seven months ago when I saw the threat, while others did not, that was the time to plan through all the expertise available in the federal government—through the Canada Development Corporation, the Export Development Corporation, the Canadian Commercial Corporation, the Enterprise Development Corporation and CIDA—to find markets, with the aid of the Department of Transport, to support the needs of a four year old mill. This is a brand new mill which is not being given a chance to operate because of bad management and the lack of realization and common sense at the time the political decision was made to put the mill where it is located now. With the expertise available here in Ottawa, the mill can still pay. I hope the minister will take a more active interest in it for the benefit of some people in Canada, thus preventing them from losing faith in what government means.

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, in response to the hon. member's series of questions on the pending closure of Labrador Linerboard's operations in Stephenville, I would like to place again the role of our department, in so far as the disposition of this matter is concerned, in perspective for this House.

The announcement by the government of Newfoundland of its decision to close the operation of the provincial Crown corporation, Labrador Linerboard Limited in Stephenville, is understandably viewed with great disappointment by the people of Stephenville and of Newfoundland generally. That decision was clearly based on the information provided to that government from its experts, including an independent advisory board established in November of 1976 to investigate the viability of the mill. Our department has no reason to question the integrity of that difficult decision. All of the evidence at hand indicates that continuing the mill operation would only increase the level of operating subsidy required, without any real expectation of a turn around in the profitability of the company.

We very much sympathize with the position of the Newfoundland government, which would be faced with substantial continuing deficits if the mill were to continue operations. However, we must emphasize that the mill is owned and operated by a provincial Crown corporation, and it is the prime responsibility of the provincial government. The unavoidable human problems of unemployment and loss of personal income resulting from that decision by the province will, in the short run, be addressed by the application of the full range of manpower and unemployment assistance programs available through the Department of Manpower and Immigration. A joint consultative committee has been established by the province and the Department of Manpower and Immigration to identify alternative employment opportunities and other assistance measures needed for workers displaced by the mill closure. Representatives of the union involved and the community are members of the joint consultative committee.

I understand that the government of Newfoundland and Labrador is continuing to investigate any realistic alternatives which can be identified to secure the continued operation of the mill on a viable economic basis. I can assure the people of Newfoundland that if a means can be found to secure the reasonable likelihood of viability for the mill, in contrast to the very substantial level of operating subsidy presently contributed by the province, we will seek to have all relevant programs of this government immediately directed to the support of the provincial government.

I would like to remind the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) that the mandate of our department is specifically for the reduction of regional economic disparities through actions to develop the natural opportunities and to build the inherent strengths of each province. We are working toward structural improvements based on the comparative advantage of each region's economy. In the case of Newfoundland, our national programs have been tailored to lead to the greater utilization of that province's resources and the further processing of resource products, diversification of manufacturing and processing activities, and improvements in the efficiency of the business sector. One instrument which the department has adopted to pursue these objectives in Newfoundland is the Canada-Newfoundland General Development Agreement signed in 1974. Since then a total of 13 agreements have been negotiated with the province under the GDA. I can assure the hon. member—

The Acting Speaker (Mr. Turner): Order. I regret to interrupt the parliamentary secretary but the time allotted to him has expired.

PUBLIC SERVICE—SUGGESTED COMPENSATION TO THOSE IDENTIFIED AS BEING ON BLACKLIST—ALLEGED ADDITIONS TO THE LIST

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, on October 13, 1976, during the question period, the term "extra-parliamentary opposition" was first introduced into the records of the House. The then minister of state for urban affairs was questioned about the existence of a blacklist connected with this term. He asserted that the blacklist charge was very serious. Fortunately though, he added, it was without foundation.

On January 24, 1977, I questioned the Prime Minister (Mr. Trudeau) about the list. He responded by saying, "I have not the slightest idea what the hon. member is talking about." The very next day the Minister of Transport (Mr. Lang) said he had never heard or seen such a list. The President of the Privy Council (Mr. MacEachen) also pleaded total ignorance. On January 26 the Solicitor General (Mr. Fox) said no such thing existed, nor did it ever exist.

On that day I arranged a meeting in the Opposition Lobby beween the Solicitor General, the hon. member for Central Nova (Mr. MacKay), and myself. I produced for the Solicitor General's inspection the letter and the list which I had in my possession. I asked the Solicitor General to give me and my colleague an indication within 24 hours, or by noon of the following day, of the way in which the government proposed to deal with the matter. I told him I would prefer to keep the matter confidential in order to protect the mostly unsuspecting and innocent persons named from further harassment. The Solicitor General informed me through his secretary at noon the following day that he would only answer questions which might be raised in the House. That, Mr. Speaker, was the day on which I read the letter into the record , omitting the names from the letter and the list.

Why was I so concerned about this matter? In order to understand this, one must understand the seriousness of the allegations which are contained in the letter identifying 21 persons, as well as an additional three whose names were included in the text of the letter as being members of the New Left.

May I quote a short paragraph from the letter?

> The EPO concept, in the context of the New Left, does not mean legitimate pressure group activity but rather the creation of counter or parallel institutions within society but opposed to it and to the electoral process. Through such institutions the New Left seeks to organize and radicalize the "under classes" of society and mold them into a revolutionary force capable of overthrowing the present socio-political system.

I quote further:

The radical EPO program of the Left is, in short, a movement strategy predicated on a total and unequivocal rejection of representative democracy, its destruction and the creation of radical alternatives.

Several of the people named in the letter had their public careers rudely interrupted. In the case of Mr. Walter Rudnicki, dismissal did not take place until several years later. Some people on the list have clearly suffered as a result of being labelled subversives and revolutionaries. One of the more notable examples is Rudnicki who was dismissed from CMHC on what has been demonstrated to be a drummed-up charge. Rudnicki has also documentation to prove that the blacklisting had the effect of cutting him off from access to cabinet documents which he needed to do his work as an executive director of policy planning in CMHC; denying him access to French language training in Quebec City which, after 18 years of public service, he had earned and for which he was eligible; denying him promotion in the new urban ministry, in which he played a leading role in conceptualizing and getting established; prejudicing his relationship with senior staff in the system and with ministers for whom he worked. Most other cases are similar.

● (2220)

My concern tonight is over the fact that the Prime Minister and several of his colleagues still refused today to offer any comfort to any persons on the list which has now been published in several major newspapers in the country. We are asking for the setting up of a tribunal through which these people, if they so desire, could clear their names and lay claim to redress. I consider it incredible that the government should again today stonewall any attempt to gain information with respect to the inquiry which led to the compilation of the list in the first place. Again the government is suppressing the truth. It has been accused of deliberately misleading the House previously, and the charges which are laid here in the House were never answered. The House and Canadians in general deserve a public inquiry now. The sooner the government complies with this request, the less embarrassing it will be for the Prime Minister and his colleagues.

In 1939, Joseph Stalin had something which was called an EPO list, which was the enemy of the people list. In 1970 the Prime Minister conceived an EPO list, which is the extra-parliamentary opposition. I ask, opposition to what? What is parliament in opposition to? Is it in opposition to the social political system of our country, or is it an opposition to the Trudeau super group that sits across from us? The Canadian people and this House deserve and need some answers.

Mr. Art Lee (Parliamentary Secretary to Solicitor General): Mr. Speaker, the hon. member for Prince George-Peace River (Mr. Oberle) has made reference to a letter written almost six years ago by the then solicitor general to certain of his cabinet colleagues which expressed concern that some government employees might deliberately release classified government information without authorization:

The letter read into the record, on January 26, by the hon. member suggested that steps be taken to ensure that these government employees be fully advised and briefed as to their responsibilities for ensuring the security of classified government information.

As the current Solicitor General (Mr. Fox) has stated on more than one occasion, the letter of his predecessor and the names that were appended did not constitute a black list, and the term black list did not originate on this side of the House. Names of the individuals concerned were given to the ministers responsible for the departments and agencies concerned. The letter was written in confidence and was transmitted with the utmost discretion.

Although great care and discretion were exercised in the transmission of the letter to ministers in order that it would not be harmful to the reputations of the individuals involved, not everyone shares the government's concern for the right to privacy of individuals.

The letter was written almost six years ago. Since that time, some of those mentioned have left the government service, others have stayed, indeed have been promoted. Circumstances change, and while there may have been cause for concern in 1971, at the present time the RCMP security service has no interest in any of the persons or organizations mentioned in the letter written by the then solicitor general of the attachment, and this has been so for some years now.

The Acting Speaker (Mr. Turner): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.26 p.m.

HOUSE OF COMMONS

Wednesday, May 25, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

SPORT

SUGGESTED INTRODUCTION OF LEGISLATION TO COMPEL PROFESSIONAL LEAGUES TO CONTRIBUTE TO THE DEVELOPMENT OF TALENT—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to the provisions of Standing Order 43 I rise on a matter of urgent and pressing necessity. In view of the fact that yesterday the Minister of State (Fitness and Amateur Sport) said that the government had failed in trying to mediate a truce between major junior hockey teams and professional leagues regarding the payment of development fees because "the federal government has neither the legislation nor the jurisdiction to resolve the dispute", and since this same government has in fact established a precedent in introducing legislation dealing specifically with professional sports, namely by intervening in professional football, for the sake of preserving a healthy continuation of our national sport as well as the development of other amateur participation I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That this House instruct the Minister of State responsible for sports to take all necessary steps for legislation to be introduced whereby all professional teams, leagues or shows, including the NHL and WHA, contribute realistically toward the development of their respective sports, in accordance with such legislation.

Mr. Speaker: The presentation of such a motion for debate pursuant to standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ANTI-INFLATION BOARD

SUGGESTION BOARD NOT APPLYING RESTRAINT TO SALARY INCREASES FOR EXECUTIVES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House, noting that if one executive receives an increase in compensation of more than $60,000 a year, as in the case of Kaiser Resources Limited, 24 other executives in the same group or company would have to receive a zero increase to produce an average increase not in excess of the $2,400 a year limit provided in the anti-inflation guidelines, finds it difficult to believe that the Anti-Inflation Board is applying restraint to the incomes of those at the top the way it is holding down the incomes of those in the lower and middle income brackets, and this House calls on the government to correct this situation forthwith.

Mr. Speaker: The provisions of Standing Order 43 require for presentation of such a motion for debate the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

FINANCE

REQUEST FOR LOANS TO MUNICIPALITIES AT COST OF ADMINISTRATION—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to the terms of Standing Order 43, I request the unanimous consent of the House to present a motion for the discussion of an urgent and important matter.

As most municipal administrations are now having tremendous difficulties in paying back their debts, which results, on the one hand, in making it very difficult for them to borrow money on which they have to pay 13 and 14 per cent interest, without increasing their taxes and, on the other hand, in making it impossible for them to meet their expenses; as there is an imbalance between their income and their needs because land and property taxes, their sole source of income, are really inadequate to meet their financial responsibilities; and also because the interest on their public debt affects greatly their respective budgets; and also because municipal governments are the very foundation of our democratic system and, as a consequence, are the level of the government which is closest to the citizens, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That this House order the government, and through it the Bank of Canada, to authorize loans to municipalities, at cost, so that they can finance non-profitable public development projects such as hospitals, schools, roads, etc.; and this, to enable municipal administrations to reduce their debts and meet their needs adequately.

Mr. Speaker: Order. Pursuant to the terms of Standing Order 43, presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

● (1410)

[*English*]

PUBLIC SERVICE

ACCESS TO FILES FOR THOSE NAMED ON ALLEGED BLACKLIST—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my motion is under Standing Order 43. The urgency of this matter relates to a report highlighted by a Toronto news publication over the weekend, and the exposure of a list containing the names of 21 Canadians who were placed under suspicion by a former solicitor general of conspiring to overthrow the government and replacing it with an alternative alien to the present socio-political system. Because of the fact that these persons were subjected to procedures which offended the most basic civil rights adhered to in our country, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the government be required to set up a tribunal through which these individuals can gain access to the files compiled about their personal and private lives and kept by the security section of the RCMP and that they be given the opportunity to respond to the allegations and to clear their names.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

RESOURCES

ALLEGED PREMATURE ANNOUNCEMENT OF SIGNING OF AGREEMENT WITH ATLANTIC PROVINCES ON OFF-SHORE RESOURCES—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the admission yesterday by the Minister of Energy, Mines and Resources that legislation to confirm and ratify an alleged agreement announced on February 1 between Canada, Prince Edward Island, Nova Scotia and New Brunswick concerning off-shore mineral resources cannot be introduced since important points have not yet been agreed between the parties, I move, seconded by the hon. member for Selkirk (Mr. Whiteway):

That this House regrets the premature announcement by the Prime Minister of the signing of an historic document now "unhistoricized" and the statement by Premier Regan that this was the finest example yet seen of co-operative federalism in that there is as yet no example to be followed and thanks the minister for his unusually frank admission.

Mr. Speaker: The presentation of such a motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

ORAL QUESTION PERIOD

[*English*]

ROYAL CANADIAN MOUNTED POLICE

POSSIBILITY FORCE IN POSSESSION OF PROPERTY OBTAINED THROUGH ILLEGAL BREAK-INS—GOVERNMENT POSITION

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Hees: That was a lot better than yours, Pierre.

Mr. Clark: Let me begin, Mr. Speaker, by extending to the Prime Minister et le Parti Crédit Social du Canada my congratulations on the success of their candidates in the six federal by-elections yesterday.

Some hon. Members: Hear, hear!

Mr. Clark: I should like to direct a question to the Solicitor General. The minister will be aware of news reports attributing to Superintendent Venner of the security service of the RCMP the information that documents in relation to the Praxis Corporation have been destroyed by the RCMP. I would like to ask the Solicitor General if he can confirm to the House of Commons newspaper reports that the security service of the RCMP either confiscated or is in receipt of property obtained through illegal break-ins.

Hon. Francis Fox (Solicitor General): Mr. Speaker, the hon. gentleman's question refers to activities with regard to the Praxis facilities a few years ago. The RCMP was not involved in any form of illegal break-in with regard to the Praxis facilities. As far as documents relating to the Praxis incident are concerned, those documents were all turned over to the metropolitan Toronto police in the middle of last February.

Mr. Clark: Just so we might be clear, the Solicitor General is telling the House of Commons that no documents related in any way to the Praxis Corporation were destroyed or are now in the possession of the security service of the RCMP. When the minister is up, would he also tell us how those documents, if they are now in the possession of the metropolitan Toronto police force, came into the possession of that force?

Mr. Fox: Mr. Speaker, as I indicated in my first answer, all the documents in our possession were turned over to the metropolitan Toronto police department. The documents came into the possession of the RCMP through a variety of sources, but the RCMP did not participate in any illegal break-in, nor did it obtain the documents in question in any illegal manner.

POSSIBLE USE OF ILLEGAL ACTS TO OBTAIN SECURITY INFORMATION—MINISTER'S AUTHORIZATION FOR CERTAIN ACTIVITIES

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I wonder if the minister could tell the House whether it is standard operating procedure for either the security service of

the RCMP or the police security planning and analysis group or any other group associated directly or indirectly with the government of Canada on occasion to obtain security information through covert activities or illegal acts.

Hon. Francis Fox (Solicitor General): No, Mr. Speaker. The standing instructions given to the RCMP in general and to the RCMP security service at the same time is that all the activities of the RCMP, be they on the criminal side or on the intelligence and security side, are to be conducted in accordance with the law of this land.

Some hon. Members: Hear, hear!

Mr. Clark: Perhaps by accident the Solicitor General omitted reference in his answer to the police security planning and analysis group. I would like to know whether that stricture applies to that group as well. I would like also to ask a policy question of the Solicitor General so that we might be clear. When the security service of the RCMP or the police security planning and analysis group or any other group decides that it is in the national interest to obtain security information by way of covert activities, is it a matter of policy that those activities require the minister's personal authorization?

Mr. Fox: Mr. Speaker, the police security planning and analysis group does not obtain information through covert activities.

Mr. Clark: Would the minister advise us whether as a matter of policy in any instance when any security apparatus of the government of Canada decides that it is in the national interest to obtain security information through covert activities those activities must be approved by the minister himself or by some other member of the cabinet?

Mr. Fox: Mr. Speaker, as I indicated before, all activities of the RCMP security service are carried out in accordance with some of the laws passed by parliament, including the Official Secrets Act, which requires that I approve in a certain number of cases the operations of the RCMP security services, and in order to carry out these obligations in accordance with the law, they have to report to me.

MINISTER'S KNOWLEDGE OF ALLEGED ILLEGAL ACTIVITIES BY FORCE AT "L'AGENCE DE PRESSE LIBRE"

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a brief question for the Solicitor General. On the basis that he has now had ample time and opportunity to consult departmental records and so on and also on the basis that he does not wish to see officers in the security service carrying the can for activities for which they are not directly responsible but were carrying out orders from some higher authority, what was the basis upon which the Premises of the Quebec newspaper *L'Agence de Presse Libre du Québec* were bugged and as a result of which certain officers, including an RCMP officer, find themselves under criminal charges? Was this particular scenario known in advance by the then solicitor general, and if not, when did this first come to the attention of the then solicitor general or the present incumbent?

Hon. Francis Fox (Solicitor General): Mr. Speaker, this whole matter to which the hon. member refers is presently before the courts in the city of Montreal. During the course of the prosecution we were asked to furnish documents and related evidence to the judge who was hearing the matter. We co-operated fully with the judge. The judge decided to send the matter to trial a week ago. The trial is set to start tomorrow so I believe I should not make any further comments at this stage.

● (1420)

Mr. MacKay: A supplementary question, Mr. Speaker. I am not asking for details about this matter that is before the court. What I am trying to find out from the Solicitor General is the basis on which operations like this are carried out. Is it the case in this particular instance that the then solicitor general had knowledge about this before it took place? If he did not, would the Solicitor General tell the House at what point in time he learned about it?

Mr. Fox: Mr. Speaker, as I indicated, the general standing directions are that the RCMP security service operates within the confines of the criminal law of Canada. The whole matter was referred to the courts by the Attorney General of the province of Quebec.

An hon. Member: That is not the question.

An hon. Member: You are evading the question.

Mr. Fox: The relevant information was brought to the attention of the judge and he was charged with investigating the matter.

An hon. Member: That has nothing to do with it.

An hon. Member: Answer the question.

An hon. Member: Come clean and answer the question.

An hon. Member: You did it before and you are at it again.

Mr. Fox: We happen to have an independent judiciary in this country.

Mr. Clark: Except when you phone them.

Mr. Baker (Grenville-Carleton): Until you telephone them.

Mr. Hees: Independent until you dial a judge.

Mr. Fox: If hon. members opposite are interested in the answer to the question—

An hon. Member: Let us have one.

Mr. Fox: —it is that the presiding judge, after having looked at the evidence in camera, decided that charges ought to be laid against three senior police officers, one of the

RCMP, one of the Quebec Provincial Police and one of the Montreal Urban Community Police. It was up to the judge to decide against whom charges ought to be laid in that case.

* * *

CENTRAL MORTGAGE AND HOUSING CORPORATION

SUGGESTION SENIOR OFFICIALS GO TO COBALT TO PLAN REBUILDING OF AREA DESTROYED BY FIRE

Mr. Arnold Peters (Timiskaming): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. In view of the unanimous support of the House yesterday for relief for the residents of Cobalt where 65 to 70 houses and businesses were destroyed by fire and in view of the fact that the Ontario government has declared Cobalt a disaster area and has pledged financial support, will the minister indicate his willingness to have senior Central Mortgage and Housing officials go to Cobalt to plan the rebuilding of the disaster area and insure that the normal red tape is eliminated so that rebuilding can start with CMHC support within the next few weeks?

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, I answered similar questions yesterday in the House and indicated CMHC's willingness to co-operate fully.

Mr. Peters: A supplementary question, Mr. Speaker. They always co-operate fully; what I am asking is the elimination of red tape. One-third of the town has been destroyed. They are anxious to rebuild and can only do so if we get rid of the red tape. If CMHC really wants to help it will send in senior officials to look at the situation and advise the council and others on what steps can be taken so that there will be no delay. If we are to rebuild it has to be done this summer. They will be living in tents during that period. We are not interested in the normal co-operation, we want something special.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I can report to the House that my colleague the Postmaster General will be there tomorrow to see what can be done by federal authorities. Then I can assure the hon. member that there will be cooperation on the part of officials in my department and if my talents as an organizer can be of any help, I will certainly be available.

* * *

[*English*]

NATIONAL DEFENCE

REQUEST FOR EQUIPMENT TO ASSIST RESIDENTS OF COBALT FOLLOWING FIRE

Mr. Arnold Peters (Timiskaming): Mr. Speaker, a further supplementary question to the Acting Minister of National Defence. I wish the government would not play politics with this important matter.

Some hon. Members: Oh, oh!

[Mr. Fox.]

Mr. Peters: The Postmaster General cannot handle his own department never mind handling the problems at Timiskaming.

Some hon. Members: Hear, hear!

Mr. Peters: May I ask the minister if it is possible for the Department of National Defence to supply some of the necessary equipment such as beds, tents and other mobile equipment that should be supplied to these people so that they can move into one area and be handled by the municipality over the next three or four months while this proposition is being considered? I hope the minister will go into that area, to indicate his support, instead of sending the Postmaster General who cannot even look after his own department.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, that would constitute aid to the civil powers, which is one of the responsibilities of the Canadian Armed Forces. That—

An hon. Member: Who are you?

Mr. Dionne (Northumberland-Miramichi): If you don't know now we will let you know after the next election.

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): That would require an official request from the Attorney General of Ontario. If such a request is made to the Department of National Defence, the department will respond in its usual manner and do everything in its power to see that the necessary assistance is supplied to those who were so unfortunate. We will probably ask the Postmaster General on his return for his assessment of the situation as well.

* * *

[*Translation*]

POST OFFICE

POSSIBILITY OF ISSUING STAMP TO COMMEMORATE ONE HUNDREDTH ANNIVERSARY OF LIONEL GROULX

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is directed to the Postmaster General.

Since January 13, 1978 will mark the one hundredth anniversary of the birth of one of the most distinguished men in our history, the great historian Lionel Groulx, and since Quebecers are generally proud of this great Canadian, could the minister tell the House whether or not he would consider issuing a postage stamp to commemorate this anniversary and thus revive the memory of this eminent Canadian?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, I am grateful to the hon. member for Rimouski for his representations. I have received many from government members who believe Canon Groulx would be an appropriate subject for a 1978 postage stamp. I would consider him as a most serious choice because of national unity and the influence of Canon

Groulx on that matter. Of course, I cannot announce today what decision is to be made but I can tell the hon. member and others who have made similar representations that I am giving full consideration to their request.

* * *

[*English*]

BILINGUALISM

POSSIBILITY OF AMENDMENT OF POLICY AS RECOMMENDED BY OFFICIAL LANGUAGES COMMISSIONER

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Prime Minister. In view of the statement made yesterday by the Commissioner for Official Languages, that the government should go back to square one and produce a language policy more in keeping with the needs of those who require a second language in the work place, I ask, does the Prime Minister intend to heed the suggestion of the extremely able Commissioner for Official Languages and institute a policy consistent with what he recommended?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker,—

Some hon. Members: Hear, hear!

Mr. Trudeau: —I was unaware of the statement made by the Commissioner for Official Languages and would hesitate to accept the enjoinder to go back to square one, when one remembers that the Official Languages Act was adopted with the support of all parties in this House. I think it would not be in keeping with the wishes of parliament, and probably not with the wishes of the official languages commissioner, if we were to go back to square one. As mentioned in the Speech from the Throne, we will obviously go forward and improve the application of the act. This is what we suggested in the Speech from the Throne that we were prepared to do.

• (1430)

Mr. Hees: I was simply quoting the form used by the Commissioner of the Official Languages Act. I remind the Prime Minister that although all parties did support this languages act in the House and still do, it does not mean that the languages act cannot be working adversely to the needs of those who would use it, as the commissioner has said. I simply ask the Prime Minister if he is going to have enough sense to follow up the excellent suggestion that obviously is very necessary.

Mr. Trudeau: Mr. Speaker, that is a different matter than going back to square one.

Mr. Hees: That is what he said.

Mr. Trudeau: If he said we should go back to square one, obviously the hon. member is not supporting him. Indeed, the hon. member is suggesting that we bring some improvements to the application of the act. I repeat, this is what we said in the Speech from the Throne that we intended to do during this session of parliament. We are prepared to discuss this whole matter. If the opposition wants to move a debate on this subject on any of the opposition days, we will be happy to put our position on the record and to hear what the opposition has to say in terms of improving the application of this act. I do not think it is worthy of the hon. member for Prince Edward-Hastings not to have thoughts of his own on this, but to hang on to the skirts of the official languages commissioner.

Some hon. Members: Hear, hear!

Mr. Hees: Is it that difficult for the Prime Minister to comprehend a very simple statement by the commissioner in which he is dealing with teaching techniques, suggesting that the teaching techniques employed in the carrying out of this act can be greatly improved. We are not disagreeing with the principle of the act. We are simply suggesting great improvements that can be made following the commissioner's suggestion for making the teaching techniques more effective.

* * *

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR NAMES OF OFFICERS WHO DEALT WITH PERSONS WHO BROKE INTO PREMISES OF PRAXIS CORPORATION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, the Solicitor General seems to have left the House.

An hon. Member: He is getting briefed.

Mr. Oberle: I apologize. It seems that the Solicitor General may now be in a better position to answer some questions since he has just received instructions.

Some hon. Members: Oh, oh!

Mr. Oberle: With regard to the situation relating to the break-in at Praxis Corporation or institute in Toronto, in light of the statements yesterday by the Prime Minister and the Minister of Justice that the RCMP has been required to fully co-operate with the metropolitan Toronto police and in light of the fact several legal people are now assessing the posture and the interests of people named on the extra parliamentary opposition list, will the Solicitor General undertake to co-operate with those people who are acting on behalf of the 21 and give them or the House the names of the two officers who dealt with the agents who actually committed the crime? Can he also provide the House and these legal people with the information with regard to the agents who are acting on behalf of the RCMP.

Hon. Francis Fox (Solicitor General): Mr. Speaker, I am not too clear on the question the hon. member is putting to me. Is he asking me whether we have information as to people who committed the break-in at Praxis Corporation? If that is the case, we are co-operating with the metropolitan Toronto police force. Any information at our disposal is being made available

to them. My understanding is that all we have in our possession are the documents which were turned over to the metropolitan Toronto police force sometime in February.

Mr. Oberle: My question relates to facts that are already known and have been exposed by the RCMP, namely that two RCMP officers were involved in the investigation and that there are agents whose lives are in danger if they are named. It is terribly important that the names of these people are known to those who are assessing the legal position of the people on the list. Is the Solicitor General prepared to provide us with the names of the two RCMP officers directly involved in the investigation and the name of the agent who turned over the original documents to the RCMP, if that was not an officer as well.

Mr. Fox: Perhaps I should ask the hon. member if he would be willing to turn over to the RCMP the name of the person who gave him the alleged letter that he read—

Some hon. Members: Hear, hear!

Mr. Oberle: I ask the Solicitor General what good that would do because I turned over to him the list and the letter containing the names one day before it was exposed in the House. Will the Solicitor General tell me to what agent he wants me to turn over the rest of the information that I have, since he obviously is not prepared to receive it from me because he has chosen consistently not to have it aired.

Mr. Fox: Mr. Speaker, I of course am more than willing to receive from the hon. member any information he has in his possession which may lead to stopping the dissemination of classified information.

* * *

TRANSPORT

QUEBEC-WINDSOR RAIL PASSENGER SERVICE—DATE ON WHICH IMPROVEMENTS COMMENCED

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of Transport. If I might beg the indulgence of the House, on behalf of my wife and myself I want to thank Your Honour and the House for the warm wishes on the occasion of the Standing Order 43 motion of Thursday of last week.

Some hon. Members: Hear, hear!

Mr. Forrestall: I will now move to some of the matters with regard to the Quebec-Windsor corridor. In light of the minister's statement of May 20, 1976, on the government's proposal to begin a program of improvement of rail passenger service in the Quebec-Windsor corridor, will the minister advise whether they are about to begin this? He stated that construction would begin in the spring of 1977. May I ask the minister whether improvements on this line have in fact begun. If not, is there a reason for the delay?

[Mr. Fox.]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, some work is being done on the line. However, I will have to obtain further details for the hon. member. We are proceeding with the evaluation of the bids which have been received with regard to the new equipment. I hope later in the summer to be able to announce decisions in that regard.

QUEBEC-WINDSOR RAIL PASSENGER SERVICE—REASON FOR DELAY IN ACCEPTING TENDERS FOR EQUIPMENT

Mr. J. M. Forrestall (Dartmouth-Halifax East): The minister stated in February that the Ministry of Transport had received and reviewed the tenders for three to ten sets of trains for the Quebec-Windsor corridor service. As it is now May, some three months later, why is it that the department has not yet made its evaluation of those tenders and taken some action?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, that date is not accurate. The tenders were received in that time, but the evaluation is a fairly extensive procedure. A preliminary conclusion has now been reached. Certain further refinements of the analysis are taking place. At that point the government will have to make a decision about the extent of the order to be placed. All of those decisions will likely be taken by the later part of the summer.

Mr. Forrestall: Because of the interest of those who use rail passenger commuter services in that corridor, may I ask the minister about the numbers of the train sets. I feel almost as though I am promoting Mattel toys. How many train sets is the minister in fact considering? He has indicated all the way from three sets up to ten. Can he tell us whether it is three, four, five, six, seven, eight, nine or ten?

Mr. Lang: Mr. Speaker, bids were received in the range essentially of three to ten train sets. That is a decision the government will take when we have finished the analysis of the bids. We will decide at that time whether to complete an order for the lower number or the higher number.

* * *

THE CANADIAN ECONOMY

ALLEGED GOVERNMENT DECISION TO CONTINUE POLICY OF HIGH UNEMPLOYMENT TO ENSURE SUCCESS OF DECONTROL

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance arising out of a very disturbing government document which has been brought to my attention. Will the minister confirm to the House that his department has indicated to the provinces, in relation to the green paper on decontrols, that in order to have a successful decontrol process it is necessary to continue deliberately a policy of high unemployment and extensive slack in the economy? Furthermore, will the minister tell the House the specific reasons which led the government to adopt in this straightforward way this very callous economic policy?

● (1440)

Hon. Donald S. Macdonald (Minister of Finance): No, Sir. That is not the purport of the message which was communicated to the provinces.

Mr. Broadbent: The minister says that is not the purport of the document. I should like to quote from the document, one which came out of his department on April 27 of this year. I shall ask the hon. gentleman whether it reflects government policy. The quotation reads:

> The most important factor conducive to successful decontrol is the restriction of wages and prices provided by the current degree of slack in the economy.

In the same document it is asserted that the government expects the continuation of this slack for another year or two. In the light of these statements in the document produced by a very senior official in his department I should like to ask the minister whether this represents government policy.

Mr. Macdonald (Rosedale): It does not represent policy. It is a recognition of the fact, one which I have stated many times in the House, that it will be difficult to bring about a more rapid rate of growth in the economy. The document also states—and I am surprised the hon. member did not refer to this—that the conditions of extreme demand which existed in 1973 and 1974, and which was so conducive to inflation, are not present at this time.

Mr. Broadbent: I should like the minister to deal specifically with the categorical assertion in the document that the most important way of containing prices in a period of inflation is the maintenance of the government's full unemployment policy, that is, of maintaining a situation where there are a million and a half people unemployed. Is this not the central contention of the document and would this explain the government's total failure to introduce measures in its most recent budget to stimulate the economy?

Mr. Macdonald (Rosedale): I suggest to the hon. gentleman he had better wait until the green paper is made public on Friday. I do not think the House should have to rely on the rather selective readings of the leader of the New Democratic Party.

Some hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

POSSIBILITY OF PROTEST TO SOVIET UNION CONCERNING DENIAL OF HUMAN RIGHTS TO IOSEPH BEGUN

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. In consideration of the Helsinki Accord and the commitment between Canada and Russia to guarantee human rights and fundamental freedom for all people, my question relates to the case of Ioseph Begun who has been refused permission to emigrate to Israel since 1971, who since then has been unable to obtain any employment in the Soviet Union although he has the equivalent of a Ph.D in technical sciences and who has been charged, because of his unemployment, with parasitism and is to be tried in Moscow on June 8, 1977. Has the Canadian government, through the Secretary of State for External Affairs, made representations on behalf of this man, Ioseph Begun, so unjustly persecuted in absolute violation of his fundamental rights and in contempt for the terms of the Helsinki Accord?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): As I have said in the House previously, it is not the practice of the Canadian government to make representations on behalf of individuals of the type to whom the hon. lady refers when immigration to Canada is not involved or when persons in Canada, such as relatives, are not involved. However, as the hon. lady is aware, we have made a number of general representations to the Soviet Union and to other countries urging that the maximum degree of freedom be permitted with regard to the flow of immigrants. I will make some inquiries into the particular case the hon. lady mentioned to determine whether any of those representations might relate to the gentleman named, and I will respond to her later.

* * *

PUBLIC SERVICE

REQUEST FOR INVESTIGATION OF DISMISSAL OF JIRVAN SHAH

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is directed to the President of the Treasury Board. I have given him notice of the question. Has he had an opportunity to investigate the unfortunate case of Jirvan B. Shah, a public servant dismissed by the Department of Transport?

Hon. Robert K. Andras (President of the Treasury Board): I shall have to look into that matter and give the hon. member an answer later.

Mr. Baker (Grenville-Carleton): In view of the fact that a review committee composed of public servants of considerable ability concluded that Mr. Shah was, in fact, a competent metallurgist and recommended that he be provided with alternate employment, and that this recommendation has not been carried out, resulting in a loss of $8,000 in severance pay, not to mention professional damage, would the hon. gentleman undertake to investigate this matter as quickly as possible with a view to rectifying what I believe to be a deplorable situation?

Mr. Speaker: That is, really, a representation.

* * *

IMMIGRATION

GOVERNMENT POSITION ON QUEBEC PROPOSAL

Mr. Lincoln M. Alexander (Hamilton West): A question to the Minister of Manpower and Immigration, Mr. Speaker. I

am sure the minister has now had an opportunity of considering a very significant proposal from his counterpart in the Province of Quebec where, as I understand it, they regard a certain amount of control over immigration as being necessary. Would the minister confirm he has had an opportunity to consider this proposal and, if so, what will his reply be when he meets with his counterpart in Quebec some time this week, perhaps on Friday?

Hon. Bud Cullen (Minister of Manpower and Immigration): I appreciate the courtesy of my opposite number, the Hon. Jacques Couture, in attending at my office in Ottawa to discuss areas of mutual concern, primarily francophone immigration to Canada. He has extended that courtesy one step further by inviting me to Quebec to discuss subjects included in a letter which he has made public. His concept is a very interesting one. Implicit in the new bill is the assumption that provinces should perhaps be given an opportunity to make more input into the process. The points system is not engraved in stone; the new approach is one which I believe has some merit but it seems to me that in order not to be discourteous to Mr. Couture I should give my response to him before I make it here or to the press.

Mr. Alexander: The minister does, however, have a responsibility to this House and since he has probably made up his mind I will ask him a specific question: as I understand it, out of 100 points available to an applicant the Province of Quebec wishes to control 55, leaving 45 to the federal government. Given the fact that an applicant must acquire 50 points I believe the hon. gentleman owes it to the House to disclose his position with regard to this unique and interesting proposal. In other words, does he agree with the proposition that Quebec should control 55 of these points?

Mr. Cullen: The hon. member hits the nail on the head when he says this is a unique proposal. I am, frankly, resisting some suggestion made to me that the points system should be incorporated into the bill. There must be some flexibility there. I want to keep an open mind on the subject. I want to draw attention to some of the strengths and some of the weaknesses in the suggestion made by Mr. Couture and, as I say, the points system is not engraved in stone. However, as I say, out of courtesy to him I ought not to go further at this time. I am keeping an open mind and I am ready to discuss the matter.

Mr. Alexander: Would the minister not agree that in the event that any particular province controls 55 of the points the federal government would have lost control over immigration?

* * *

[*Translation*]

HOUSING

POSSIBILITY OF BUYING LAND OCCUPIED BY ANGUS SHOPS ON WHICH TO BUILD HOUSES

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, my question is for the Minister of State for Urban Affairs.

[Mr. Alexander.]

Since the land occupied by Angus Shops and owned by the Canadian Pacific covers quite a large area in the riding of Hochelaga, can the minister tell the House whether he intends to initiate early negotiations with the Marathon Company, a subsidiary of Canadian Pacific, for buying that vast tract of land through the Central Mortgage and Housing Corporation or through existing non-profit corporations to build a housing complex of about 2,000 units and a co-operative shopping centre, for which I already have a plan and for which I am convinced the mayor of Montreal would accept to change zoning regulations to accommodate such a project?

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, in answer to the hon. member's question of which he gave me notice, I must say that preliminary discussions seem to have been held between the city of Montreal and the Canadian Pacific relating to possible changes in the use of the land of Angus Shops, but there is no official plan at this moment. The hon. member's proposal seems excellent to me and of course I will be glad to follow it up and see if it can be done.

* * *

● (1450)

[*English*]

REGIONAL ECONOMIC EXPANSION

DATE OF SIGNING AGREEMENTS WITH BRITISH COLUMBIA

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is directed to the minister responsible for DREE. Now that the minister has had an opportunity to turn his mind away from the ceremonial sinking of *Mercator One,* I would ask the minister if he could give us an indication as to how his ministry is progressing with the signing of the remaining subagreements with the province of British Columbia? Are we looking at a timeframe of days or weeks?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, we have in fact announced last week the signing of a third subagreement with the government of British Columbia regarding the development programs and the assistance to be offered to the native population. I have been told that we have completed some discussions with the B.C. government regarding an agreement which would allow a more orderly development and perhaps foster the industrial growth of this area. Therefore we hope to be able to conclude an agreement in the next few weeks and to make an announcement, with all the details it implies and the hopes it can raise among the population of this province.

[*English*]

COMMUNICATIONS

OPPORTUNITY FOR CITIZENS TO EXPRESS VIEWS ON PAY TELEVISION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Minister of Communications. The minister has apparently determined that pay TV is inevitable for Canada. In view of the enormous social implications for the future of Canadian thought and life; and in view of the fact the Ottawa hearings, incidentally temporarily postponed at great expense and inconvenience for some who wish to participate, at best are open mostly to members of the industry itself and to local residents, are there now any plans or will the minister consider initiating plans to conduct public hearings on the subject of pay TV across Canada, thereby permitting rank and file Canadians concerned about the social implications to express their views?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, we have proceeded in as comprehensive a way as possible. The first phase of our consultations were in the form of briefs which were received from the industry and people concerned. Subsequently, I asked the chairman of the CRTC if he would consider conducting public hearings, which have not been postponed incidentally. Those public hearings are taking place. A report will possibly be available around mid-October.

Mr. Friesen: Mr. Speaker, my question to the minister was precisely as to whether those public hearings will be extended across Canada and not only within the urban area of Ottawa. Since other federal departments conducting hearings and forums within their ministries are helping to defray expenses of those who want to participate—for example the Kitimat hearings, the Berger report and so forth—will the minister do the same for those individuals across Canada who feel very strongly about the social implications of pay TV and want to participate in the hearings but cannot do so because they cannot afford to do it?

Mrs. Sauvé: Mr. Speaker, the procedure for the public hearings is a matter which the chairman of the CRTC decides. He has established that he will have a number of hearings in Ottawa, which is probably in response to the kind of need he thinks exists at the present time. People have had occasion to send their briefs to the CRTC and express their views on pay TV. If some people felt that they have not had sufficient access to public hearings, I am sure the chairman of the CRTC will take the necessary measures to allow anyone, with something to say, an opportunity to express his views.

TRANSPORT

CREATION OF JOBS BY IMPROVEMENT OF RAIL, ROAD AND AIR FACILITIES IN ATLANTIC REGION—GOVERNMENT POSITION

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is for the Minister of Transport. In view of the great need to improve rail, road and air facilities in the Atlantic area—and I am particularly thinking of the need to upgrade the Trans-Canada highway in Newfoundland—and in view of the high unemployment rate in the Atlantic area and the need to create jobs there, can the minister say what initiatives he is prepared to take in his department to upgrade those rail, road and air facilities thereby creating those very necessary jobs?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am happy to say the decisions have been made in connection with the Atlantic transportation program. Yesterday I was able to telex the information to the four premiers. Therefore, we will be ready to go ahead with the highway strengthening program and the rearrangement of freight subsidies to be more selective for development in the Atlantic of certain air and bus improvements as well. We will be having discussions immediately with the Atlantic provinces in regard to this. I will be tabling the background details on this as soon as possible.

* * *

NATIONAL PARKS

TERRA NOVA—SUGGESTION FUNDS ALLOCATED FOR CONSTRUCTION OF GOLF COURSE BE USED FOR OTHER PURPOSES

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is somewhat supplementary to the previous one, and it is directed to the Acting Minister of Indian Affairs and Northern Development. In view of the fact the government has budgeted $3.6 million for a golf course outside the Terra Nova national park, and in effect the bulk of this money will be used to build a new access road to some very exclusive summer homes owned by ministers of the provincial government of Newfoundland on the Eastport Peninsula, and in view of the fact at the same time a new golf course 30 miles away is being put in by the people of Gander, can the minister tell the House what he is doing, or what his government is doing, with respect to renegotiating the original agreement so that the people of that particular area and the people of Newfoundland can obtain better value for the $3.6 million which is being proposed for this purpose.

Hon. Judd Buchanan (Acting Minister of Indian Affairs and Northern Development): Mr. Speaker, I must admit I am not current on this problem. I will be happy to draw it to the attention of my colleague when he returns.

Oral Questions

URBAN AFFAIRS

DEPARTMENTAL POSITION ON SUSTAINING OR REPLACING OLD NEIGHBOURHOODS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, this is a good riding to recognize at a time like this. May I pose this question to the Minister of State for Urban Affairs? It arises from the recent demolition in the south end of Halifax of many houses, all structurally sound, within a "put", of a street with houses which qualified for a Central Mortgage and Housing Corporation grant for improvement and which received a CMHC reward for the same—so much for local enterprise. The demolished houses will give way to a high rise apartment building.

Could the minister say whether his department has resolved the philosophical dilemma of either supporting improvement of old housing to sustain old neighbourhoods or supporting urban destruction which will destroy parts of old neighbourhoods to replace them with high rises?

[*Translation*]

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, I find the question of the hon. member quite interesting, but it requires a very long answer I would not be able to provide during the oral question period.

* * *

[*English*]

RESOURCES

SIGNING OF AGREEMENT WITH ATLANTIC PROVINCES ON OFFSHORE RESOURCES—POINTS ON WHICH AGREEMENT LACKING

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I would like to direct a question to the Prime Minister. On February 1 the Prime Minister, Premier Regan of Nova Scotia, Premier Campbell of Prince Edward Island and Premier Hatfield of New Brunswick had a meeting here in Ottawa and made an announcement of the signing of a memorandum of agreement concerning the question of jurisdiction over offshore oil and gas resources in those provinces. The Minister of Energy, Mines and Resources yesterday informed the Standing Committee on National Resources and Public Works that legislation could not be introduced yet because there has been no agreement on certain important points. Could the Prime Minister tell the House why such a fuss was made about this alleged agreement of February 1, and what the points of differences are which still have to be agreed to?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this agreement was signed several months ago. All the premiers and I agreed it was a very important step forward in indicating the principles on which we would co-operate. We all recognized that the very short document we signed did not contain all the details of the eventual agreement to be embarked upon between the provinces and the federal government. There were clear indications by the premiers and myself concerning the lines which should be followed in working out these administrative details. I understand it is in accordance with the wishes of the premiers and myself that these administrative details be worked on down to a final position.

Mr. Crosbie: Mr. Speaker, would the Prime Minister explain, if there were gaps in this agreement, why he called the document an historic one? Has that historic moment gone forever, or why did Premier Regan say it was the finest example of co-operative federalism ever seen in this country, when there is no agreement as yet?

Mr. Clark: That is a typical Liberal statement.

Mr. Trudeau: Mr. Speaker, I am afraid the hon. member misunderstood my previous answer. It was a very important agreement entered into between governments of provinces of different political stripes. Everyone agreed it was an important step forward. I am indicating to the hon. member that you cannot merely legislate general principles. It is important to legislate the actual operating administrative aspects of the agreement, and that is what all parties are constructively working toward now. I hope the hon. member will consult somebody in the provinces to confirm what I have said.

* * *

● (1500)

TOURISM

POSSIBILITY OF UNITED STATES WITHDRAWING TAX DEDUCTIBILITY PROVISION CONCERNING CONVENTIONS IF PARTS OF BILL C-58 WITHDRAWN

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. In view of the loss of American conventions amounting to tens of millions of dollars due to section 602 of the United States tax reforms act, and in view of the raising of the matter by the minister with Mr. Blumenthal, as it was raised by the Minister of Industry, Trade and Commerce with commerce secretary Krips, has there been any indication from these U.S. officials that if the tax provisions of Bill C-58 relative to broadcasting are withdrawn, an accommodation might be reached?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would have to confirm whether or not that has been the position of the United States officials. Personally, I do not regard the two issues as being connected. I regard Bill C-58 as being important to Canadian cultural development, and in that sense in no way comparable to the relative tax treatment of conventions on both sides of the border.

Mr. Ritchie: A supplementary question, Mr. Speaker. Is the minister saying that under no circumstance will Bill C-58 be changed in order to reap any benefit from withdrawal of the convention tax by the United States?

Mr. Macdonald (Rosedale): Mr. Speaker, I do not think the U.S. treasury should dictate our cultural policy.

Mr. Speaker: The hon. member for St. John's West on a question of privilege.

* * *

PRIVILEGE

MR. CROSBIE—TERRA NOVA GOLF COURSE

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question of privilege has to do with a question just asked by the hon. member for Nickel Belt (Mr. Rodriguez), which contained a slur and an imputation against certain cabinet ministers of the government of Newfoundland in connection with the Terra Nova golf course. Either the hon. gentleman should produce some information or he should withdraw the implications of his statement. The question—

Mr. Speaker: Order, please. I fail at the start to see how it is possible that any slur, intended or otherwise, by a member here of a person outside this House can in any way constitute a question of privilege. There may be remedies which can be taken in many other ways, but privilege would have to be extended to take into account representations which may adversely affect members of this House. Even if privilege could in certain circumstances be extended that far, surely it could never be extended to persons outside the House. I would have to be persuaded by the hon. member or others that this in any way constitutes a question of privilege.

Mr. Crosbie: Then may I advance argument on that point, Mr. Speaker. I am referring to members of another legislative assembly in this country who, as a group, are being slandered by the hon. gentleman. They are former colleagues of mine. The hon. member alleges in his question—

Mr. Speaker: Order, please. If there is any alleged connection with the privileges of this House I would be glad to hear what it is. If there is an alleged slur cast by any member of this House then remedies can be taken in other ways. They may be taken by the member in other ways here, if he so wishes, or in fact by those ministers who feel themselves aggrieved by anything which has been said in this Chamber. However, I am not aware that there is any definition of a question of privilege in our precedents which in any way extends to any such representations against any persons outside this House.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, as I understand the circumstances—and admittedly I have not been exactly zealous in following them up—some of the money involved reflects on a vote that was taken in this House to support this particular development at a national park within a province of Canada. I believe here we are within the area of federal and provincial decision making or participation, and in that sense it is probably a reflection on the members of this particular Chamber, even though we may not have been aware, at the time when certain votes went through parliament, that this was where the money was going to be spent. In any event, I suppose we would have to be considered responsible for setting that particular spending in motion, and in that sense I think the hon. member for St. John's West (Mr. Crosbie) has founded a case.

The hon. member for Nickel Belt (Mr. Rodriguez) is, in effect, saying to us, as well as through us to other people, that he is reflecting on decisions which were taken. I gather that he did not, at the time our decision was taken, raise any objection whatsoever to it. Therefore, I cannot see how he can now come late in the day and make the kind of remarks he did.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise on the same question of privilege. Any agreement that was reached between the federal government and the provincial government of Newfoundland was reached prior to my being a member of this House. Agreement was reached that a golf course would be placed inside the Gros Morne national park in Newfoundland. Subsequent renegotiations placed it in another national park, Terra Nova.

The golf course is not being built inside the park; it is being built outside the park on land that has to be acquired. Prime farmland, 100 acres of it, has to be acquired from private individuals on which the golf course, 18 holes of it, is to be placed. That decision was made in 1972 or prior thereto.

The situation in Newfoundland with respect to unemployment has since changed; it has now become more serious. We have discovered that the municipality of Gander has already constructed three holes and six more holes of its golf course are to be completed this summer at a cost of $500,000. The Gander course is 30 miles away from Terra Nova national park.

There are priorities in the east port peninsula which every member from Newfoundland recognizes. We know that in three communities, Burnside, Salvage, and one other, the well water is polluted because sewage is seeping from septic tanks into the well water.

I have not maligned any cabinet minister in the Newfoundland legislature. I have simply stated the facts, namely, that the wife of Mr. Morgan, the minister of transport, has just turned over the Loyal Orange Lodge, which she purchased, to a private club three miles away from the golf course.

Mr. Speaker: Order. I am sure all hon. members realize that, whether technically any of this comes within the definition of privilege in our House, there is a very grave danger here. When any member either puts forward a question or deals with any other matter which is within the competence of this Chamber we must confine ourselves in every case to matters which are in fact within the competence of this Chamber. If this House has taken decisions—the point raised by the hon. member for Halifax-East Hants—which, as is quite frequently the case, might have implications for co-operative effort with provincial authorities, that is certainly not extraordinary. But surely when we are discussing this matter in this Chamber the aspects we should concern ourselves with

are those which occupy the attention of the responsible people in the federal parliament under our administrative jurisdiction. As soon as we begin to introduce, by way of preamble or other side comments, the actions or potential actions of those whose administrative responsibility lies beyond the control of this parliament, we invite this kind of difficulty. I think that, regardless of whether it forms an objection within the four corners of the very strict definition of privilege within the precedents of our parliament, we would all be well advised to confine ourselves to discussions which we know are within the competence of the federal parliament.

Mr. Rodriguez: I appreciate your comments, Mr. Speaker. May I conclude by saying that if there is any member in this House who can claim he has been maligned, there is the fact that the Newfoundland legislature passed a unanimous resolution condemning me for having raised this whole question in the Standing Committee on Indian Affairs and Northern Development, as well as for daring to raise it in the House of Commons. If the hon. member for St. John's West has any complaint, then he ought to complain that his own province's legislature has maligned one of his own colleagues in the House of Commons.

● (1510)

Mr. Speaker: Order, please. Again with the admonition I just made, I think all members can see the difficulty into which we get when we attempt to extend comments that we make beyond the jurisdiction and the administrative responsibility of the House.

Mr. Crosbie: Mr. Speaker, the hon. member for Nickel Belt has put on the record certain things which may or may not be facts. The facts are that the Government of Canada agreed many years ago to put a golf course in Newfoundland in one of its national parks. Since a golf course could not be put in the Gros Morne national park, it was agreed three years ago it should go to the Terra Nova national park where the people want a golf course as an attraction for tourists.

The hon. member mentioned Mr. Morgan's wife and this kind of thing. I consider it to be a piece of arrant cowardice and contemptible. I want to make that point to the hon. gentleman now. It is not a question of privilege, it is a question of what is fit and proper, and I do not think this kind of imputation sneaked into a question is fit or proper, or anything that I or any other member of the House should have to put with. It is contemptible, Mr. Speaker.

Mr. Speaker: Order, please. Again I say that there is no motion attached to the potential question of privilege. I really think that this discussion ought to conclude. I am sure all hon. members will realize that as soon as they begin to make comments about the actions of those persons who do not come under the umbrella of administrative responsibility or ministerial responsibility within this House, we are inviting these kinds of difficulties. The matter does not fall within the definition of privilege as raised by the hon. member for St. John's West, to which a contribution has been made by other members. Since it was raised as a potential question of privilege and does not qualify as one, the matter is now concluded.

Mr. Rodriguez: Mr. Speaker, I rise on a question of privilege. My question of privilege deals with the last remarks made by the hon. member for St. John's West. I think they are uncalled for. He accused me of being cowardly in my performance of duties in the House as a member of parliament. I think his behaviour here this afternoon is indeed contemptible and he should withdraw his remarks about me. I suggest, with all humility, that the Chair should rule that the remarks of the hon. member for St. John's West about a member of this House are uncalled for, ungentlemanly, and certainly unconservative. He should be asked to withdraw from this House.

Mr. Nielsen: His remark was not unparliamentary.

Mr. Speaker: Order, please. As in any previous circumstances, reading the context and the full text of the remark that has been made by the hon. member for St. John's West, if I find that his latter remark does in fact fall within the category of unparliamentary language, I will indeed, after proper reflection, ask him to withdraw it. I will have to examine the record to see if that is in fact the case.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

TABLING OF DETAILS OF ATLANTIC PROVINCES TRANSPORTATION PROGRAM

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, under Standing Order 41(2) I would like to table, in both official languages, copies of details of the Atlantic provinces transportation program.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand today.

MOTIONS FOR PAPERS

[*English*]

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, again I ask that all motions for the production of papers be allowed to stand.

GOVERNMENT ORDERS

[*English*]

BRETTON WOODS AGREEMENTS ACT

AMENDMENT TO INCREASE SUBSCRIPTION TO INTERNATIONAL MONETARY FUND AND INTERNATIONAL BANK FOR CONSTRUCTION AND DEVELOPMENT

The House resumed, from Tuesday, May 24, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-18, to amend the Bretton Woods Agreements Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in rising to speak on Bill C-18, an act to amend the Bretton Woods Agreements Act, let me say that I believe it is salutary at this time to discuss the international financial situation, particularly as the whole thrust of the Bretton Woods Agreement has changed over the years so that now we are called upon to deal primarily with underdeveloped countries demanding loans and financial support, which was certainly not conceived of when the first Bretton Woods Agreement was achieved.

I think it is wise to take a look at what was the purpose of the 1944 Bretton Woods Agreement. It was to keep different currencies of the world in a stable relationship with one another and to provide loans with which the war devastated countries could finance their reconstruction and future development. The representatives at that time drew up plans for a fund with which to stabilize currencies, and for a bank to make loans. The fund was to be an international monetary fund to be made up of deposits of currencies, of gold, and of securities of all member nations. This $9 billion fund was to be divided among the nations in accordance with the size and wealth of the various countries making contributions. The fund was to be used by nations when needed, and a comprehensive set of rules was worked out according to which the fund was to be put to use.

The second proposal of the International Bank for Construction and Development was to set up a $10 billion capital which was to be funded from the purchase of shares by various nations in accordance with their ability. The bank was to lend money to governments and to guarantee private loans to them in order that reconstruction of the devastated countries and the development of the less advanced countries could be facilitated. The purpose of the fund was to keep world currencies in a

stable relationship with one and other and thus to stabilize world trade.

The International Monetary Fund has been of considerable value. It is a currency pool into which member countries may dip when they are short of foreign currencies. Amounts which a needy country can take out are limited to the amount which the country has put into it.

The International Development Bank is somewhat different in that it has become a borrower of last resort. When a government or a private firm is unable to borrow on its own resources, the IDB steps into the breach.

Since 1944 the whole character of the economic problems facing the world has changed. War ravaged Europe and the Far East have been reconstructed. Germany and Japan, the defeated nations, have become extremely strong, even stronger in many ways than the U.S.A. which was the original main contributor to the Bretton Woods Agreement. These two countries are now involved in providing equitable and financial aid to underdeveloped countries and in rectifying the weaknesses of the key currency systems. These developments have changed the direction of the Bretton Woods Agreement. The introduction of the Special Drawing Rights by the IMF was designed to supplement and supply the other components of international resources, such as gold and U.S. dollar liabilities, but in effect the Special Drawing Rights really increase the liquidity of the entire international monetary system. They are no more like owned reserves than borrowed reserves.

The problem with the SDR scheme is to determine the amount of SDRs to be created. The proposal is that the IMF play an important role in resolving these conflicts through the creation of further allotments of SDRs. It is to do this through the managing director of the IMF after consultation with members who would recommend the amount of SDRs to be created.

The United States and the bloc of Common Market countries will have effective veto power because 85 per cent of the affirmative vote by the board of governors of the IMF is required to ratify the managing director's recommendation. It is to be hoped that this new departure will allow the IMF to continue to play a stabilizing role in the evolution of the fund. Some of the advantages of the fund, it has been argued, are that it has enabled an international monetary system to evolve in a number of different ways, including the deliberate creation of SDRs and increased co-operation amongst central banks. However, the fund seems to have been much less successful in dealing with the exchange rate problems and techniques of adjustment.

The World Bank has introduced two agencies, the IDA and the International Financial Corporation. The IDA was formed in 1960 to provide very soft loans to the poorest of the less developed countries. This was to reduce the strain of payment, and loans were on a 50 year basis. However, the funds were certainly small and did not cover the small loans needs of underdeveloped countries. The International Financial Corporation was to provide venture capital to the private sector of

the economy, and private companies were to assume control as soon as possible.

● (1520)

The international monetary system did not evolve as was foreseen by the architects of the Bretton Woods Agreement. Perhaps keeping in mind the disasters of the thirties, they considered that gains from the international trade integration would be far greater than from those of international financial integration, and therefore allowed controls on capital flows as opposed to merchandise flows, a situation which, incidentally, we are approaching now with our demands for trade controls. This increase in international trade has created a demand for payment which has largely been met by the American dollar. An extensive international credit system has evolved so that the American dollar has emerged as the vehicle currency of the world. As might be expected, this dominance of the American dollar has not met with uniform acceptance. Many countries have objected to this extension of the American dollar.

In any case, in the foreseeable future the American dollar will be extremely dominant. It will have the effect of being a sort of world currency. Some would argue for this; that the United States would have to give up a large part of its domestic power; and that American monetary policy would have to be in tune to international needs rather than to American needs.

This brings up the role of the United States in the world, that of the other developed countries of the west and their relationship with the Third World. The debate is now proceeding. Over the past 20 years the western world has given in increasingly to the idea that, at all costs, Third World needs must be supplied. Some have the idea that the standard of living in black Africa is low because the standard of living in the western world is high. It has always interested me that, in our discussions of our obligations to underdeveloped countries, while the western world must give money, services and goods, the communist world is not called on to give anything, and indeed, it usually gives soldiers and guns to foment revolution.

President Jimmy Carter was quoted in yesterday's *Globe and Mail* as saying the following:

> Our policy must reflect our belief that the world can hope for more than simple survival and must help shape an international system that will last longer than secret deals.
>
> We are now free of that inordinate fear of communism.

It is difficult to feel that we do not need to be afraid of communism, particularly when the Russian navy is immense, when our own Admiral Boyle has suggested there could well be a war with the communists by 1980, and when no one has disputed the enormous building up of Soviet military power. This certainly makes one realize that communism is certainly still a force in the world.

President Carter also seemed to feel that there was decreasing importance in the United Nations, the North Atlantic Treaty Organization and the World Bank, which he felt had been part of an international system which had worked well for a quarter of a century. However, I thought he added other significantly desirable policy solutions. President Carter also said:

> That system could not last forever unchanged. Historical trends have weakened its foundation. The unifying threat of conflict with the Soviet Union has become less intensive, even though the competition has become more extensive.

President Carter went on to say:

> It is no longer possible to separate the issues of war and peace from those of justice and human rights.
>
> We can no longer have a policy solely for the industrial nations as the foundation of global stability, but we must respond to the new reality of a politically awakening world . . .
>
> Now, the policy must close the gap between rich and poor nations and encourage all countries to rise above narrow national interest and work to resolve the formidable problems facing the world.

The speech of the President of the United States seems to be an attempt to seek further compromises with the world, to reaffirm U.S. commitments to human rights and, in effect, to qualify support for Israel after the recent election of the right wing Likud coalition, whose leader, Mr. Begin, has taken a harder line with the Arab world.

President Carter seems also to have written off southern Africa, so it may come under the domination of the left wing world. We can, however, applaud this statement by President Carter:

> We know that a peaceful world cannot exist one third rich and two thirds hungry.

However, it is doubtful that a peaceful world will come about easily.

Because most of the debate on the role of Third World countries will take place in the United States, it seems important that we know what is happening in the United States. The oil embargo of March, 1974, rudely brought home to the Americans the power of the Third World, and the public debate on the new international economic order takes place when the U.S. public is more aware of the Third World than it ever was previously.

As usual, in a debate such as this there are two broad positions. One tends to accommodate the Third World, and the other tends towards resistance. Soft liners argue for accommodation on the grounds of both expediency and justice, whereas hardliners contest the argument on the same grounds. Softliners, looking ahead, perceive an increasingly interdependent world in which there must be a new order which takes cognizance of the interests of all nations, including the poor ones. However, many question the optimistic consequences of the softliners. In the minds of many, interdependence is likely to diminish conflicts. The opposite is more probable. An example might even be found in our own country. The modern world has brought about more interdependence, but we have become more disunited. Interdependence in itself is not conducive to order. Rather, power, political and military, has been the foundation of order both within and between nations.

Softliners promote the view that the interdependent nations of the west are very vulnerable to disruptions by less developed nations, and therefore it is in the interests of the interdepend-

ent nations to adopt a policy of accommodation. The hardliners would argue that power is as important as it has ever been, and certainly the Russian and Cuban expansions in Africa have been based on the use of power. In recent years the western nations have been unwilling to employ their power, which makes interdependence so vulnerable.

Furthermore, there are two different viewpoints on egalitarianism in the world. Third World countries, nearly all dictatorships, are interested in greater equality amongst states. The western elitists, enamoured of the new egalitarianism, are thinking of the equality of individuals. In other words, the moral appeal of the new international economic order is based on a confusion between domestic and international realities. I suggest there is a profound difference between equality between states and equality between individuals.

There is no real evidence that giving in to Third World demands will have the effect of toning the Third World down. Indeed, policies of accommodation are likely to whet appetites. Nor does it seem to be true that either greater equality or greater order among nations would be the likely outcome even if the entire world became a system of socialist states.

There are probably two credible views of the way ahead. The world could be a much more disorderly place or, more likely, a new power similar to the Roman Empire, the Great Britain of Victorian times or the United States of the last 25 years could emerge. The Soviet Union appears to be a likely candidate for that role.

I do not believe we should give some kind of reparation to the Third World because of past or present exploitation. Certainly western imperialism has bestowed a period of economic and social benefits on the Third World.

To me there are other aspects of this problem which those who want to give large amounts of aid to the Third World have not adequately considered. The fundamental problem of most Third World countries has not been that they have not been able to increase their output of goods and services but that the burgeoning birth rate has meant the increase in goods and services has been eaten up, and so the individual is no better off than before. While control of the birth rate seems possible some way ahead, it shows little sign of making much of a dent in the immediate future.

● (1530)

The transfer of vast amounts of aid from the western world may well prop up the nation states such as the one headed by Idi Amin, but it does not do much to aid the individual citizen. In the future will we remain—"we" being Canadians as well as Americans—unmoved by mass starvation shown on our evening television news? Can we find a middle road that will not be hard-hearted but will be morally sensitive without being sentimental?

I am glad to have had this opportunity to say a few things on the Bretton Woods Agreement and the way ahead, dealing particularly with the Third World which I think is very important to Canadians as a whole.

Bretton Woods Agreements

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I should like to make a few short remarks on this bill. What disturbs me most is that it is being put forth and its quick passage sought by the same people who have given us record inflation, record unemployment, record trade deficits, record budget deficits, record bank interest rates, record mortgage rates, record high energy prices, the highest level of foreign borrowing of any western nation, low productivity, the highest cost of government in our history, the worst track record in recent history, the Sky Shops affair, dredging scandals—this bill is put forward by a government that has no discernible energy policy, no discernible foreign policy, and no discernible industrial strategy.

This same government is negotiating in secret at the GATT conference. This bill is put forward by a government that has no known targets that we can see regarding the money supply, and no national objectives for industrial growth other than the reference by the President of the Privy Council (Mr. MacEachen) in this House recently when he said he hoped some of the growth in the United States economy would splash over the border and spur on our economy. I think that is a deplorable record for any government.

In presenting this bill the Minister of Finance (Mr. Macdonald) said, as reported at page 5888 of *Hansard:*

> According to Article I of its articles of agreement, the fund is charged with facilitating the expansion and growth of world trade and payments as a means of raising world standards of living and of fostering economic development.

I think it is obvious to everyone that the government is in violation of Article I of the International Monetary Fund articles on its own domestic policy. How can we sit on international boards and committees and talk about the expansion of world trade while our share of trade is shrinking? How can we be perceived as a credible nation when there is so much disorder within the Canadian economy? How can the government be perceived to be serious about expanded world trade when it is negotiating with GATT in secret? How can our industries expand when they simply do not know what is going on at the GATT conference in Geneva? How can we continue to assist the Third World countries when inflation in this country is continuing to sap our vitality and growth?

If you look at the growth of the money supply in Canada over the past 15 years there is one real lesson: with moderate monetary growth there was no inflation in Canada, with the expansion of monetary growth there was a relatively mild inflation, when the growth rate fell inflation fell, and when the monetary growth rate reached the sky, of course we had double-digit inflation.

The Bank of Canada Act in Section 14.(2) reads as follows:

> (2) If, notwithstanding the consultations provided for in subsection (1), there should emerge a difference of opinion between the Minister and the Bank concerning the monetary policy to be followed, the Minister may, after consultation with the Governor and with the approval of the Governor in Council, give to the Governor a written directive concerning monetary policy, in specific terms and applicable for a specified period, and the Bank shall comply with such directive.

What I am saying is that we cannot slough off this matter of growth of money supply on the Governor of the Bank of

Canada; it falls on the incumbent minister of finance and the cabinet.

Speaking in Halifax in 1975 the Governor of the Bank of Canada said:

> If the ultimate goal—the restoration of a completely stable price level, that is zero rate of inflation—is to be achieved, this will eventually require the maintenance of an average rate of growth of the money supply no higher than the long-term average rate of growth of the production of goods and services in Canada—that is a rate of about 5 per cent a year.

Bill C-18 merely broadens the base. It is similar to a businessman who finds himself at the limit of his line of credit while running his business at a loss. Instead of putting his house in order and effecting a turn-around, to a break even and a profit position, he merely gets a further extension in his line of credit and pushes the inevitable consequences into the future.

Had the minister come to this House, as he could have, at the time of his budget and announced a set of economic goals, a target date for a balanced budget, and a disciplined step-by-step monetary policy, then we could have looked at Bill C-18 in a different context.

It is well known that we have a record balance of payments deficit. Balance of payments deficits may be removed by internal economic and industrial policies, or financed by borrowings. The government has chosen the latter route and has mortgaged the country so far into the future that it is frightening.

Deficit financing by borrowings is not a practicable way to stabilize an economy over a long period of time. In the last nine years we have had one surplus and eight deficit budgets. Surely it is evident to the minister and his officials that they are on the wrong track. Through their taxation policies they have taken away the ability of the people of this country to accumulate wealth that is expressed eventually in investment in industrial growth. Lacking industrial growth we are now on a course toward lower tariffs that will further distort our balance of payments deficit.

The realities of our financial problem are evidenced in the flight of investment money from Canada. The outflow in 1976 exceeds the inflow of funds by $1 billion. Our financial plight is continually clouded by over-playing internal social policies. You simply cannot pursue gradual monetary goals when overall confidence in the economy is lacking. When you tighten the money supply the difference can be taken up by the velocity of the money already in circulation. This will only occur when there is confidence in the economy.

We are not really happy with this bill, Mr. Speaker. We are not happy with the government and its inability to deal with the economy of Canada. If we continue on our present course, Canada will be numbered among the Third World countries and be a net recipient of aid from others. We do not have to accept inflation. If we want to help Third World countries, we should do it by encouraging them to be self-reliant. If we are to do that, we must become more self-reliant in this country.

[Mr. Kempling.]

• (1540)

The tasks confronting all governments of the western world surely are these: assuring stable growth, maintaining full employment, avoiding inflation, keeping the balance of payments in equilibrium, and maintaining the integrity of national currency. Those are some main objectives. The government has failed miserably to meet these vital objectives, and the evidence of its failure is apparent.

When this bill is considered in committee we shall question the minister and the officials. That the economy of Canada is being handled so badly is tragic. The minister has had numerous opportunities to introduce fiscal and monetary policies which would improve our position in the world. Today we face the prospect of a Canadian dollar dropping in value. I hope it will not happen, but if the views of many pessimists in the money markets prevail, the Canadian dollar will drop a considerable amount in the next few months. I hope it will not happen, but the signs that it will are there to be seen. I do not think the agreements we are debating will do much to stop that trend. We are part of the western world, are considered a developed country, and must support agreements of this kind. If we are to play a significant role in the world economy, the government must accept the challenge confronting it and act with urgency.

The Acting Speaker (Mr. Turner): Order, please. The Chair recognizes the Minister of Finance (Mr. Macdonald). I must warn hon. members that if he speaks now he will close the second reading debate.

Some hon. Members: Hear, hear!

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, let me say two things in response to the hon. member who has just resumed his seat. First I deal with the GATT negotiations and his statement that they are being carried on in secret. I would have to regard that observation as being either ignorant or stupid. If he is saying that we should lay out in advance of negotiations our negotiating position so that the people with whom we are negotiating can look at our hand, or that we should act as a card player would if he were to lay out his hand for other card players to see, I can only say this: anybody who has ever been involved in negotiations would recognize that as being a pretty stupid suggestion. If he is saying, on the other hand, that the government has failed to inform and consult with Canadians on the question of the GATT negotiations—

Mr. Stevens: He is correct.

Mr. Macdonald (Rosedale): —then, that is just plain ignorance.

Mr. Stevens: Not at all. He is correct.

Mr. Macdonald (Rosedale): That is ignorance, the same kind of ignorance the hon. member for York-Simcoe (Mr. Stevens) demonstrated in his speech. The fact of the matter is, the Canadian tariffs and trade committee for the last two

years has been in close consultation with the various Canadian firms interested in multilateral trade negotiations.

Mr. Stevens: Tell that to the businessmen. They sure don't think so.

Mr. Kempling: Mr. Speaker, I rise on a point of order. Perhaps the minister could explain to the House and to numerous industries of this country why representatives of industry are writing to their members of parliament, asking what is going on at the GATT negotiations because they, themselves, cannot find out. Can he explain why Americans and other countries act on legislation—

The Acting Speaker (Mr. Turner): Order, please.

Mr. Macdonald (Rosedale): Surely that is not a point of order.

The Acting Speaker (Mr. Turner): Order, please. I suggest to the hon. member for Halton-Wentworth (Mr. Kempling) that his remarks are not a point of order but part of the debate.

Mr. Macdonald (Rosedale): Mr. Speaker, I point out to the hon. gentleman that for two years the Canadian tariffs and trade committee has been in close contact with Canadian industry, just for that particular purpose. I regret that he is not well enough informed to tell his correspondents that they should be in touch with that committee, if they have not already got in touch with it.

The hon. gentleman made another interesting comment in saying that he disagrees with present monetary policy. The Governor of the Bank of Canada has set some guidelines for the increase of the money supply.

Mr. Stevens: Of M 1.

Mr. Macdonald (Rosedale): The increase of the money supply has been below those guidelines. If the hon. member is advocating higher interest rates for Canada and a more regressive monetary policy, he ought to have had the courage to get up and say so instead of criticizing the government.

I turn to the hon. member for York-Simcoe. He rose in this House and repeated something he has said many times in the House and in committee. He thinks that M 2 rather than M 1, rather than demand deposits, the policy which the Bank of Canada is following, is the appropriate method by which to measure the money supply. I give hon. members this choice: it is between Mr. Bouey and the hon. member for York-Simcoe. From which of those two men would you take advice in this regard? Would you take it from the Governor of the Bank of Canada, or the former chairman of the Bank of Western Canada?

Mr. Stevens: You are wrong again. Why don't you get your facts right?

Mr. Paproski: What a performance. John Turner couldn't have done it better. We are going to call you baby face Macdonald.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): I deal with some of the other remarks made by the hon. member for York-Simcoe. In making his ten points he alleged that Canadian policy makers, in relation to the valuation of the Canadian dollar, had shown no independent mind as to what course should be followed.

I cannot think of a more badly informed statement.

Mr. Stevens: Try Donald, try.

Mr. Macdonald (Rosedale): Canada was the pioneer in establishing a floating rate. Indeed, for the better part of the life of the International Monetary Fund Canada has been taking the lead in maintaining a floating rate. The interesting thing about the amendment contained in this particular proposal is that the lead established by Canada has now become the orthodoxy of the International Monetary Fund. If that is not an independent, leading policy I do not know one that is.

Mr. Stevens: Stick to the truth, Donald.

Mr. Macdonald (Rosedale): The hon. member for York-Simcoe said we are a net exporter of energy and therefore there should be no problem with overseas energy costs.

Mr. Stevens: That is not what we said.

Mr. Macdonald (Rosedale): I suggest that is exactly what the hon. member said. Only, he forgets that the Conservative party, of which he presumably was a supporter outside this House, by specific design made half this country depend on overseas petroleum for energy supplies. He knows that. The party he represents knows it. We have done our best to reduce that dependency, for example by building the Montreal pipeline. Parliamentary restraint confines me to describe as "disingenuous" the hon. gentleman's comment that we have no problem with regard to the supply of energy. As a result of the former Conservative government's energy policy, eastern Canada is very much dependent on foreign imports, and foreign imports have to be paid for at going world prices. That has an inflationary effect.

Mr. Stevens: Show me any passage in *Hansard* which indicates I said what you say.

Mr. Macdonald (Rosedale): It would be difficult to improve on the comments made by the hon. member for Waterloo-Cambridge (Mr. Saltsman) with regard to the adherence of hon. members opposite to gold.

Mr. Stevens: You are both socialists.

Mr. Macdonald (Rosedale): The hon. member for York-Simcoe said he wants more discipline. He wants people of this country to be subjected to more discipline. He quoted all kinds of statistics and figures attributed, I think, to a Mr. J. Antho-

ny Boeckh. The hon. member contended that we ought to run this country in accordance with the kinds of statistics and tables economists of that kind have prepared. The only trouble is, economists of that kind and the hon. member for York-Simcoe leave out an important element, the human element. The hon. member is interested in tables and statistics. We are interested in mankind, in Canadian people.

Mr. Stevens: With one million Canadians out of work, boy oh boy, where is your heart?

Mr. Macdonald (Rosedale): If the hon. member for York-Simcoe had his way, we would have many more out of work than we have at present.

Mr. Stevens: No, we would put people back to work. With one million people out of work, you are a great humanitarian.

Mr. Macdonald (Rosedale): Mr. Speaker, most of the ten points the hon. member for York-Simcoe made were false, and many of them were silly. I will devote no further time to them.

Mr. Kempling: Tell us about our high unemployment.

Mr. Macdonald (Rosedale): There is the voice of ignorance and stupidity over there, again.

I should like to direct attention to the constructive remarks made by the hon. member for Edmonton-Strathcona (Mr. Roche). He talked on the question of transferring funds to the developing world and the problems of liquidity which less developed countries are encountering as a result of the world-wide increase in energy prices. As I said yesterday, in many cases it is as a result of the drop in export prices of primary exports from these countries. The hon. member asked me to make some comment on the possibility of linking the further creation of Special Drawing Rights with special discriminatory advantages in favour of the developing countries. Probably we would have to take some disagreement with that as an approach.

● (1550)

Contrary to what the hon. member says, the IMF is not truly a central bank, although it is true that there are some similarities in their functions. It is also true to say that the SDR is a form of international money. We have supported the increase of the SDR. It is gradually taking the position as the central element in the international monetary system. However, we think that proposals to link future SDR allocations to direct income redistribution to LDCs would be counter-productive. The goal of making SDRs the central monetary asset would be undermined and the LDCs would likely not receive any net increase in resources from the developed world.

The hon. member also talked of the role of the World Bank and of the IMF. I should emphasize again the distinction in function between these two organizations. The IMF has the responsibility basically for the short-term balance of payments problems of members, both developed and developing countries. The World Bank has been responsible primarily for financing developing countries and development in the developing world. In this regard, through its two subsidiaries, the International Development Association and the International Finance Corporation, the World Bank has already extended in the case of IDA grant assistance to the developing world, and in the case of IFC assistance to equity investment in the same area.

One of the difficulties we have recently talked about in international forums has been the immediate balance of payments problem. In this regard the managing director of the International Monetary Fund, Mr. Witteveen, has come up with some proposals with regard to helping to meet the short-term balance of payment problems of many other countries. His efforts with regard to establishing the so-called Witteveen facility have been very progressive efforts.

It is very useful that the OPEC countries—Saudi Arabia, Kuwait, the United Arab Emirates—have offered to come forward along with developed countries for the purpose of establishing this additional fund. However, I do not think either the countries involved or this House should lose sight of the fact that the facility is at best a temporary financing solution and that both the OPEC countries and the developed world must continue to assist on an increasing scale the developing countries through official development assistance.

Over the long run, funds drawn out of the Witteveen facility will have to be paid back. They can only be paid back if official development assistance continues to flow into those countries, making it possible for them to meet these other obligations.

There were a number of points raised by other members. They could more effectively be dealt with in detail before the committee. I would say again that with the officials we would be quite prepared to discuss in detail both the operation of the proposed amendments to the International Monetary Fund and take the occasion at the same time to talk about amendments to the Currency and Exchange Fund Act, the Canadian and domestic legislation, and also to discuss forthcoming policy with regard to the continuing financing of balance of payments problem, both in the developed and developing world.

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

Some hon. Members: Question.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

* * *

AERONAUTICS ACT

AMENDMENT TO PROVIDE ACT BINDING ON HER MAJESTY IN RIGHT OF CANADA OR A PROVINCE

Hon. Otto E. Lang (Minister of Transport) moved that Bill C-46, to amend the Aeronautics Act and the National Trans-

portation Act, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, this is a short but important bill. It raises several fairly narrow questions. I will be quite brief in dealing with it.

The purpose of the bill is to deal with the issue that arose after the Supreme Court decision in connection with some issues before it arising out of the purchase by the Alberta government of Pacific Western Airlines. The Supreme Court in particular dealt with the issue of the Crown in right of the province and its obligations in relation to the general regulatory framework over which the Canadian Transport Commission has jurisdiction.

The finding that Her Majesty in the right of a province was not properly before or bound by the regulatory framework, raised for us immediately the question of changing the law in that regard. It seems a fairly obvious proposition that it would defeat the broad overview which the Canadian Transport Commission and similar administrative agencies must have over a transportation function if important aspects of that function in interprovincial and international transportation particularly were not within the ambit of regulations.

The bill before us changes the situation. It makes it clear that the Aeronautics Act is indeed binding on Her Majesty in right of Canada or a province or an agent of either one of them. That is the simplest legal change being made.

In addition, there are changes being made which provide for certain procedures to be followed in the event that such interests or involvements are in fact undertaken by provinces or their agents. It is implicit in the policy in the bill that it may be generally unwise to have a provincial government in ownership of a body controlling transportation which is federally regulated, particularly if that transportation is interprovincial or international in its nature.

The problems which arise are essentially two. The first is the problem for the administrative tribunal if it is dealing with an applicant which is essentially a provincial government. This arises from the fact that while a province may hereby be made a person, it really will not be a person like other persons which may be involved in transportation. Indeed, the question arises of whether a controversy may arise or rage about an administrative tribunal in a way which would endanger its over-all jurisdiction and responsibilities.

Second, there is the problem that in interprovincial services, and indeed in international ones, certain issues may arise where the provincial interest may be in conflict with the provision of service to other provinces also being provided with service by the entity in question. There the question of fairness may be very difficult to assess. It may therefore be better to leave the position where generally a province is not in a position of ownership. I use the word generally because of the fact that certain circumstances may arise where a particular operation does not give rise to these considerations.

• (1600)

Mr. Stevens: Mr. Speaker, I do not see a quorum in the House. I call for dissolution or adjournment.

Mr. Knowles (Winnipeg North Centre): You have to count, Mr. Speaker.

Mr. Forrestall: I am afraid we must have some ruling from you, Mr. Speaker, before we permit the minister to carry on. I must say I wish our learned friend far to the left of me would rise on this particular point. We cannot allow an observation which somebody, sitting in his seat, made to you some moments ago to interfere with a decision which should have been taken by the Chair at the time.

The Acting Speaker (Mr. Turner): Order. In accordance with Standing Order 2(3) the presence of 20 members of the House, including Mr. Speaker, is necessary to constitute a meeting of the House for the exercise of its powers. Is the hon. member requesting a count?

Mr. Knowles (Winnipeg North Centre): Yes.

Mr. Forrestall: Mr. Speaker, the time at which the intervention was made by the hon. gentleman was the time at which the count should have been taken, not some time later. I raise this as a serious point of order and reserve the right to deal with it at a point later in time.

The Acting Speaker (Mr. Turner): I will reserve judgment. The hon. member for York-Simcoe (Mr. Stevens) on a point of order.

Mr. Stevens: At the time I observed there was no quorum, three of us had counted the number of members present. It was 18, and I would request Your Honour to ask those who were not in the Chamber at the time I raised the point of order to retire. A count should then be taken.

Mr. Gilbert: A terrible waste of time!

Mr. Lang: I would observe, in passing, that hon. members are frequently behind the curtains and moving around and I am a little surprised that the hon. member for York-Simcoe, having received a strong verbal dressing down, well deserved, from the Minister of Finance (Mr. Macdonald), should have shown a childish reaction by trying to disrupt the proceedings of the House. But that is a matter which his constituents in Toronto ought, in due course, to judge.

Mr. Abbott: Mr. Speaker, on a point of order, I think it is regrettable that the hon. member for York-Simcoe (Mr. Stevens) should raise a point of order of the kind he did at a time when there are fewer than eight members of his own party in the House.

Some hon. Members: Hear, hear!

Mr. Lang: There may be situations in which provincial ownership might make some sense, and we particularly wanted to leave the possibility open for that to happen in relation to

intraprovincial transportation facilities where the facility is essentially or totally within the province in question.

I should say that after the first reading of the bill I had an opportunity of discussing the subject with a number of hon. members, particularly with the hon. member for Dartmouth-Halifax East (Mr. Forrestall). Some submissions which I have received from the air industry are correct, and one change may be made during the committee stage. I wish to give members now an early indication that I wish to see one matter placed before the committee, that is, where loans are involved it should be possible to obtain certainty with approval of the governor in council that there will be no difficulty in relation to the licensing in issue. At the present time the loan would have to be made and then the licence might be forfeited and that would clearly present a problem. I will certainly be glad to see that situation corrected.

Hon. members will note that the bill is not made retroactive; it is not made to apply to transactions which have taken place before this date, and particularly it is not made to apply to the purchase by the Alberta government of Pacific Western Airlines. Arising out of discussions with Alberta, it seems to me it might very well be possible to reach an arrangement whereby that situation is progressively corrected. Certainly the Alberta government has no philosophic hang-up about seeing an airline in the private sector and this may be the better way of treating that particular airline. In the meantime it was my view that Pacific Western ought to be treated as normally as possible and not be impeded in its orderly operation and development by the difference of view as to the wisdom or merits of its ownership. That is the purpose of the bill. I hope to discuss further aspects of it with hon. members in committee, and I commend it now for second reading and reference to the committee.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I shall not be too long, particularly since the minister has now indicated clearly with respect to this bill, which does correct certain oversights which are of some concern to all of us in this Chamber with respect to the rights of the provinces to act outside of or independent of certain regulations set down by agencies which are in fact integral parts of the federal government structure and which are designed to maintain some order and some discipline not only in the air industry but in other industries as well, that we can all anticipate other amendments similar to this with respect to other modes of transport and other areas of activity which fall within the ambit of the federal regulatory authority. In fact the government has moved in the right direction today to correct an oversight.

All of which is to say that I do not think there was in the minds of any of us any intent to be critical or to suggest that the province of Alberta in moving into this very vital area of transport had intended anything untoward with respect to the regulatory agencies.

If I understand correctly, the minister intends at a later stage to introduce an amendment which would permit extension of loans in such a way as to protect loans that might have been made prior to the awarding of a licence which could have been cancelled under existing regulatory authority. If that is the intent of the amendment then, Mr. Speaker, with just one or two more comments we are quite prepared to let this bill go to committee for perusal. I trust the standing committee will give this bill fairly rapid consideration.

[Mr. Lang.]

• (1610)

Any carrier must be subject to an over-all regulatory authority. Good laws should be applied to the interprovincial and international movement of goods and passengers. This is necessary for the sake of the industry as a whole and the proper and good order of the development of the movement of passengers and goods interprovincially and internationally. It must be subject to some over-all national regulatory authority, as well as being subject to agreements entered into by Canada with other nations with respect to the passage of goods and passengers from one country to another.

The minister has tended to over-complicate the situation a little bit. On the other hand the intent of the bill is clear. It is a good one and one we are prepared to let pass. As we read the bill and understand it, we hope there is a capacity for provincial governments to act singularly or in concert with adjacent provinces. I am referring to movement in a loan, debt or equity situation to assist a regional air carrier or a third level air carrier, a feeder air carrier, should they be faced with hard times. The uppermost question in my mind now is the question of the degree to which the federal government itself is an appropriate and proper vehicle, as opposed to provincial authorities, to move in the direction of assistance to Atlantic regional air carriers; to move into third level carrier service; and to strengthen and sustain its position as a regional air carrier in the country, with some stature and importance.

I hope the minister's statement embraced the principle of the right of the federal authority and the responsibility of the federal authority to move, before it becomes necessary for a collection of provincial authorities to move toward lending monetary support and assistance to a regional air carrier. I trust this bill does not interfere with that principle. At this point in time we do not see it, although it might be hidden, and we look forward to more in depth examination of it in committee. With those few comments, we are prepared to let the matter go through now.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, on April 4, 1977, the minister issued a press release in connection with this bill from which I would like to quote as follows:

> Transport Minister Otto Lang today introduced an amendment to the Aeronautics Act that would prohibit the purchase of an airline by a provincial government without federal permission.
>
> This new amendment is in addition to Bill C-40, introduced last month, containing amendments to protect federal airports and airport sites from urban development encroaching on their boundaries.

The press release continues as follows:

> Mr. Lang said the amendment, introduced today, "makes clear this government's intent to ensure that the purchase, scheduling and operation of air carriers in this country remain within federal jurisdiction."

Mr. Lang originally proposed such legislation following a decision by the Supreme Court of Canada to uphold the purchase of Pacific Western Airlines by the Alberta government.

The new amendment will prohibit the transfer of shares or the issuing of a licence to an international or interprovincial air carrier without approval of the federal government.

The amendment also gives the Canadian Transport Commission the authority to suspend or cancel the licence of any air carrier allowing the transfer of its shares or the acquisition of its debt by a province.

In introducing the bill today, the minister talked about difficulties regulatory agencies would have in dealing with an airline owned by a provincial government at arm's length, as it deals with the private carriers. We have a number of regulatory agencies that deal with issues which are of concern to provincial governments and on which provincial governments make representations. There is no hesitation on the part of these regulatory agencies to hear from provincial governments. Obviously they do not feel very threatened by hearing from them. Usually they do not listen to the provincial governments. This is a poor excuse for limiting the right of a provincial government to buy into or take over a privately owned airline if the provincial government believes it is in the interest of the people of its province to have such public ownership.

Had the minister had this power when the Conservative government of Alberta moved to take over Pacific Western Airlines, this minister and this federal government would have prevented the Alberta government from taking over PWA.

I would like to give two illustrations of government regulatory agencies which have heard from provincial governments on issues of importance to the people of those provinces. Those agencies have not felt intimidated, threatened or anything else by those representations. The CTC, until recently the CRTC, has to rule on applications for rate increases made by Bell Canada for telephones in Ontario or Quebec, and it has to rule on applications for rate increases in British Columbia made by B.C. Telephone. They have had representations made to them on behalf of the citizens of their provinces by some of the provincial governments, in which they have objected to the size of the rate increase asked for, or have objected to any rate increase. After the CTC has heard from those provincial governments, it has made decisions based on their independent findings. Similarly the CTC has repeatedly dealt with applications for freight rate increases by the railways, increases to which the provincial governments of Manitoba, Saskatchewan and Alberta have objected. There has been no difficulty on the part of CTC in studying the questions and making decisions. Usually it permits increases far greater than the provincial governments have agreed to, and yet it has not felt threatened.

It is a completely spurious argument on the part of the minister that the federal government needs to have the authority to stop provincial governments from doing things which they feel are in the best interests of their people. A provincial government which owns an airline or part of an airline would still require CTC approval for changes in rates and changes in routes. There is no reason why the CTC, the regulatory agency, could not deal with an application made by an airline owned by a provincial government in the same way as it deals with applications made by airlines owned by private industry.

● (1620)

We have had no explanation from the minister or any other minister of what policies are being followed. What are the principles upon which the government bases its desire to prohibit provincial governments from getting into the airline business?

I know the minister was amazed and shocked, as I am sure were Conservative members, by the action of the Alberta government in buying all the shares of Pacific Western Airlines. I can just imagine what would have happened if that purchase had been made by the former NDP government of British Columbia. The government of Alberta apparently decided it was in the interests of the people of Alberta to have control of the service which PWA was providing, that the province was not going to be bound, I presume, purely by whether or not a given route made profit or showed a loss. The province wanted to provide the best possible service it could to the people of Alberta. If the minister had any logical objections to that purchase by the Alberta government of Pacific Western Airlines, he has certainly never made them known in this House or, to my knowledge, explained them publicly.

There are a number of other regional airlines in addition to PWA. For example, Transair operated in Manitoba, Ontario and the Northwest Territories. It was a privately owned airline which got into difficulties, I suppose caused by the cost of fuel mainly, which has increased so substantially that the airline found it could no longer make a profit. From what we read in the newspapers, apparently a proposal was put forward that PWA, now owned by the Alberta government, should buy Transair. I do not think the Minister of Transport discussed the matter with the premier of the province of Manitoba, in whose province the overhaul base for Transair has been located for many years.

The *Leader-Post* for May 6, 1977, carries a news story which in part reads as follows:

The CBC says Pacific Western Airlines, owned by the Alberta government, is expected to announce shortly that it will acquire Transair Ltd.

A deal has been made, and I think only a few details remain to be ironed out before it is concluded. The news story continues:

The report says the acquisition of the Winnipeg based regional airline will have the blessing of the federal government.

I wonder why it has the blessing of the federal government when the federal government was opposed to the purchase by the Alberta government of Pacific Western Airlines.

The report says Pacific Western will take over Transair for about $5 millions... Transair has lost about $6.5 million in its last two fiscal years.

CBC says it is understood that the federal goverment approached PWA to consider takeover of PWA. The government tried to prevent the Alberta government from buying PWA in the first place.

The report continues:

One of the most important aspects of the acquisition is the routes PWA would pick up. It could serve the whole of western Canada from Winnipeg to Victoria.

The report says that as part of the deal, Transair will lose its Winnipeg to Toronto run, which will be assumed by Air Canada. But Transair will pick up additional routes in western Canada, giving the airline inter-city service between Winnipeg, Regina, Saskatoon, Calgary and Edmonton.

The report says Air Canada will give the takeover its blessing as will the government of Saskatchewan. Manitoba is expected to follow suit, as long as it is guaranteed that maintenance facilities will remain in Winnipeg.

I understand that the government of Saskatchewan is, to say the least, not enthused by this deal, and that the government of Manitoba is not happy with the deal either. In any case, I see no reason for giving this government, parlicularly this minister, this kind of power. The minister has moved to take power—which he does not need—to do things which he has never explained, to take power to do things regarding which he has never enunciated the basic principles, to take power which, in our view, he wants purely for political reasons. We certainly cannot agree to that.

As we understand it, Mr. Speaker, this bill amends several sections of the Aeronautics Act. Basically it is aimed at prohibiting the purchase of an extrapovincial—interprovincial or international—airline without federal permission.

The Aeronautics Act is divided into three parts. Part I deals with the duties of the minister and regulations that the minister may prescribe regarding safety and inspection. Part II of the act, sections 9 to 19, deals with the Canadian Transport Commission and its role in civil aviation. The main role of the Canadian Transport Commission is licensing air routes and supervisions of rates. Part III deals with the hiring of personnel to administer the act and Department of Transport documents. The relationship between the ministry and the CTC is basically that the CTC grants a licence to a carrier to operate an air service and supervises the rates, and the ministry takes steps to ensure that the aircraft is operated safely.

This bill, along with Bill C-40, prohibits the transfer of the shares of an extraprovincial air carrier to a province without the approval of the governor in council. The new subsection 16(2) would prohibit the issuance of a licence to an extraprovincial air carrier in which a province is in the process of acquiring a debt or equity interest without the approval of the governor in council, which means without the approval of the minister. This subsection would apply only to applications for new licences; it does not affect existing licensing. In other words, the minister is not prepared to take on the government of Alberta for its purchase of Pacific Western Airlines.

This bill adds a new subsection 16(8.1) which directs the commission to suspend an existing licence of a provincial air carrier where the carrier allows a transfer of shares without the approval of the governor in council, or where the carrier allows a province to acquire a debt interest.

The complementary bill, Bill C-40, also has an amendment to section 16 of the Aeronautics Act, which is the section at which Bill C-46 is aimed. Bill C-40 provides an amendment to 16(3) and 16(8) which would enable the issuance of licences for non-scheduled air services upon proof of public interest, rather than proof of public convenience and necessity as now required.

This provision may be detrimental, depending upon the definition given to "public interest". Under the old rule of public convenience and necessity, an applicant must prove that his service would add something. Under the public interest rule, if the public interest is to be defined as section 3 of the National Transportation Act, then the public interest is defined in terms of competition and the economic well-being of Canada. However, if the public interest is to be defined as section 3 of the amended National Transportation Act after Bill C-33 is passed, then the public interest is defined in terms of competition and commercial viability of the carriers.

Since the tabling of the Hall report we have heard the minister say several times how pleased he was with the main provisions of the report and that he was going to move to implement them. If the Hall report made one thing clear, it was that commercial viability is not a good way of judging what is needed in terms of transportation.

● (1630)

Let me quote from an article by Nicholas Hills which appeared in the Montreal *Gazette* on May 18 of this year, dealing with the Hall report. It reads:

Hall has gone almost all the way to meeting the arguments of the western premiers that the railways and Ottawa are the barriers to a new economic future, based on fairer tariff, tax and freight rate policies . . .

He has said, like the western premiers in every political strife, that the raw materials should be processed here, and not in central Canada.

He has inferred, again like the western premiers, that the railways engage in duplicity—for having settled the west originally they now want to settle its future, again to their advantage.

In another article on May 18, which I will not quote but the headline of which reads: "Hall Flies in Face of Lang Philosophy", Nick Hills makes precisely the point. The minister wants this authority because he does not want the provinces to go into the airline business because they may not be interested in just commercial viability and just in making profit. They may be interested in giving service to the people of their provinces. That, of course, is anathema to the Minister of Transport. He continues, despite all the nice things he says about the Hall report, with his basic philosophy that all that counts is making a profit. We oppose that.

We think that if a province wants to go into the airline business to provide a better service for its people, it should have that right, and it should not have to come cap in hand to the minister or to the government to ask for permission to do it. That does not mean that the other provisions in the Aeronautics Act and the other acts which apply to the present or future private operators of airlines will not continue, that the provinces will not have to meet the standards with regard to the safety of the service and everything else, but we see no reason why this government should prohibit any provincial government, regardless of political stripe, which wants to go into the business, from doing so. There is more than Pacific Western Airlines involved in this question.

There are a number of regional carriers. There is Eastern Airlines which provides service in the Atlantic provinces, there is Quebec Air which provides service in Quebec, and there are

some regional carriers in Ontario. Given the increased cost of fuel and of parts, it may be that one or the other of these regional carriers would decide that they can no longer make a profit, in spite of subsidies on profitable routes which the federal government is sometimes persuaded to provide. It may be that they may want to go out of business and that one of the provincial governments will say, "This service is so important to Nova Scotia, Newfoundland or northern Quebec that we will take over this airline and we will run it, not to make a profit but to provide service". What this bill would say is that they could not do it without satisfying the federal government of the day, the Department of Transport or the Minister of Transport, that they have a valid reason for doing it.

We see no reason why the federal government needs that authority; we see no reason for putting these restrictions on any provincial government, and we will oppose this bill.

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

Some hon. Members: Agreed.

Some hon. Members: On division.

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

* * *

AIR CANADA ACT, 1976

MEASURE RESPECTING REORGANIZATION OF AIR CANADA

Hon. Otto E. Lang (Minister of Transport) moved that Bill C-17, respecting the reorganization of Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, it is 40 years since parliament gave authority, in the Trans-Canada Air Lines Act of 1937, for the establishment of our national airline. We may all, I think, take satisfaction and indeed pride in the work done by our predecessors in the House and by the directors and officers of the company itself in providing for and developing one of the world's great airlines.

In the early years of its development, Trans-Canada Air Lines mainly carried mails while it expanded its fleet, trained its staff, and provided advice on the airfields and aids to navigation which were required for the introduction of passenger services across the continent.

By 1939, TCA had expanded to the point where it employed 500 people and in that year carried 21,000 passengers on domestic services. Its fleet was comprised mainly of Lockheed 14H aircraft which could accommodate 11 passengers and 2,700 pounds of cargo, and could cruise at 200 miles per hour over typical stage lengths of 350 miles.

By way of contrast, after four decades of operation in peace and war, Air Canada by the end of 1975 had over 20,000 employees. In that year it carried 10.4 million revenue passengers, roughly one quarter of whom travelled on international routes. The corporation's fleet consisted of 120 aircraft, ranging from 365-seat Boeing 747s to 95 seat DC-9s.

The employment of jet aircraft, starting in the early 1960's, permitted very rapid rates of growth in the airline's productivity. Cruising speeds rose to the region of 550 miles per hour over stage lengths of up to 4,000 miles.

This increase in the speed of air transportation, combined with the increases in productivity which allowed airlines to hold back on price increases and even to make price reductions while paying increasingly higher wages and salaries to their employees, brought about dramatic changes in travelling patterns. Travel for pleasure or personal reasons has gradually replaced business travel as the main source of business in many markets. This in turn has led airlines to become involved in many new types of associated activities such as hotels, vacation package tours, and computerized teleprocessing systems.

Despite this rapid pace of change in the air transport industry, the original Trans-Canada Air Lines Act was changed only slightly over the years, the key amendments being in 1945 and 1953, and in 1964, when the name of the corporation was changed to Air Canada. The change of name was symbolic of the wider horizons in which the airline had come to operate, not only in the national but increasingly in an international sphere.

The act incorporating the company, enacted when a transcontinental flight was itself a major undertaking, has become less and less appropriate to the evolving needs of the day. Therefore we have thoroughly revised the old Air Canada Act to enable the corporation to respond quickly and effectively to the challenges of the future.

● (1640)

Underlying Bill C-17 is the fact that Air Canada is no longer a fledgling airline and no longer needs the special protective measures which are incorporated in the present act and in the Aeronautics Act. The corporation, nevertheless, faces new challenges and must be able to adjust to changing conditions. The bill seeks to put Air Canada on a footing similar to that of the airlines with which it competes.

First, there is the matter of ownership. In 1937 it seemed appropriate that organizations with experience in transportation should be asked to organize a trans-Canada airline, and after exploration of various possibilities the Canadian National Railway became the sole shareholder. It provided not only the share capital but also the first president of the airline and the administrative services required to support him in running the operation. As it has grown over the year, Air Canada has become less and less dependent upon the direct support of the Canadian National Railway. Therefore the bill provides for the cancellation of the shares now held by the CNR. All Air Canada shares will be held directly by the government.

Associated with this change, the present arrangement whereby the auditors of CN are by legislation also the auditors for Air Canada should be discontinued. Therefore, the bill

provides for the appointment of Air Canada's auditors by the governor in council, and generally brings the provisions associated with an outside audit into line with other recently created Crown corporations.

The bill contains no reference to the Air Canada contract nor to the airmail contract except inferentially. The 1937 act described the trans-Canada contract in some detail, provided for a conterminous mail contract, and stipulated how the airmail rates in each year should be adjusted according to whether the corporation recorded a surplus or a deficit during the preceding year. That latter practice was discontinued following the revision of the act in 1945.

In 1953 the section describing Trans-Canada Airlines' contract was shortened. To be specific, references to a schedule of services to be maintained by the corporation under the contract and to the payment of a subsidy equal to any deficit at the end of the year were deleted. The present Air Canada Act also contains clauses dealing with what is now called the Air Canada contract and the Air Canada mail contract. Provisions for payment of subsidies are included in the act only with regard to contracts containing terms ordered by the governor in council into which the minister may enter with subsidiaries of Air Canada.

It is my view that there is a better way to arrange these particular relationships between the government and Air Canada. Accordingly, the Air Canada contract and the airmail contract would be cancelled, and no provision for the payment of subsidies to Air Canada directly, or to any of its subsidiaries, is contained in the bill. Instead, Air Canada would be required to comply with directions from the governor in council. We will in the later stages, following discussions we have had within the government, introduce an amendment which will qualify the text as it now appears so that the directions which may be given by the governor in council will be directions of a general nature.

This is designed, as I will mention later, to emphasize the fact that it is not the intention nor the purpose of the government to give directions in relation to the day-to-day operations of the airline. It is our view that the airline ought to make those judgments on its operations as a part of its own management decisions and that we ought not to interfere with that.

In the bill we are providing compensation to the corporation if compliance with the directions given to it results in losses to Air Canada. This is in line with the 1975 transportation policy statement that where the government requires certain services to be performed at a certain cost, that cost ought to be known, and it ought generally to be borne by the treasury rather than be passed on to the users of the transportation service.

The discontinuance of the Air Canada contract has another consequence which should receive our collective attention. Under the Aeronautics Act the CTC is now compelled to issue licences to Air Canada for services provided pursuant to the Air Canada contract.

It is now proposed that Air Canada should apply to the CTC for new licences in the same way as other carriers do.

[Mr. Lang.]

This change is in line with the emphasis that the government and, indeed, the board and senior management of the corporation place on the need for Air Canada to compete on a similar footing with other airlines.

I remarked earlier that changed circumstances have created new needs as well as removed the necessity for old safeguards. The present act contains a list of the business and powers of the corporation which, although long, is not sufficiently comprehensive in terms of the new activities which have now become associated with air transport. Whereas the provisions of the present act are quite specific and narrow, we have taken a much broader approach. This bill provides more flexibility for businesses and activities in areas associated with the operations of major airlines while retaining control by the government over Air Canada as a Crown corporation against entry into areas not related to the airline business. There always remains a risk in any enumeration of powers, no matter how broadly drafted, that some future legitimate activity is not provided for in it. To ensure that Air Canada does not become the prisoner of that kind of situation, the governor in council would be given power to authorize the corporation to engage in activities which are not specifically provided for in the bill.

Under the present act Air Canada's authorized equity capital has an upper limit of $25 million. The actual issued capital is $5 million, whereas the corporation's current balance sheet lists total assets in excess of $1 billion. The present arrangement forces Air Canada to obtain most of the financing it requires in the form of long-term debt. This, in turn, has three undesirable effects. First, it makes it difficult to compare Air Canada's performance with that of major airlines which have debt equity ratios over a wide range, but none so extreme and debt-laden as 97 to 3, which is currently the case with Air Canada.

Second, since nearly all of Air Canada's financing is in the form of debt which carries a charge against current operations in the form of interest payments, Air Canada can swing very quickly between a profit and a loss on the basis of very slight changes in the market or in operating conditions.

Third, lenders in the long-term debt market apply certain tests before supplying funds, and one of these tests involves a satisfactory debt equity ratio.

Under present circumstances Air Canada stands little chance of being able to borrow in the market without government guarantees. Since the intention of Bill C-17 is to pave the way for a more commercially oriented corporation, Air Canada must have a more normal debt equity ratio to pass the test applied in the money market.

Therefore Bill C-17 makes the following provisions: The authorized capital of the corporation would be $750 million. There may be available to Air Canada up to $750 million in direct government loans or government guaranteed loans obtained in the open market. In addition, over and above the $1.5 billion just mentioned, the corporation would have the power to borrow money in the market on its own credit. For long-term debt—that is to say, debt which exceeds 18 months in term—prior approval from the Minister of Finance would

be required, but short-term borrowing, to accommodate cyclical short-term cash needs, would not require that approval. The existing debt can be rearranged by converting some of the existing government debt to equity, some of the existing CNR debt to equity, or a combination of these, but the bill puts a limit on these conversions of $600 million. If the corporation's debt to CNR were converted to equity capital, CNR's own debt to the government would be correspondingly reduced in an offset against the reduction which was made in that manner.

● (1650)

These provisions do not establish a specific debt-equity ratio that would be maintained indefinitely. Instead, they provide a framework within which a healthy debt-equity ratio can be maintained by the performance of the airline or by provision of new capital on the analogy of private companies seeking new equity or debt. The mechanisms for infusions of up to $750 million each for equity capital and government debt were based on that premise. The statutory appropriations are balanced by the dollar ceilings which may not be exceeded.

To arrive at the $750 million figure, estimates were made of Air Canada's probable capital requirements over the next five years and these data were combined with existing long-term debt and equity and a safety factor was then applied.

I would like to add that Air Canada would be allowed to borrow on its own credit without limit. If Air Canada is successful commercially, and I believe it will be, the corporation should be in a position to borrow on the open market within a very short period of time.

Here I wish to add a note of emphasis. It is the intention both of myself and of the board and senior management of Air Canada that its performance will be equal to or better than the performances of the world's top airlines. That means that it must be competitive in every way. It is possible, for example, for an airline virtually to assure on-time departures of all its flights if it is prepared to pay the cost of over-capacity in its fleet. Equally it is possible for an airline to return profits by combining under-capacity with a monopoly. It will be the responsibility of the board of Air Canada, to me as minister, to parliament and to the people of Canada, to achieve the maximum possible efficiency in all aspects of the airline's operation, and not to favour one aspect at the expense of the others. One measure of their success will be the financial results of the company, and it is the intention of the government that Air Canada will conduct its operations in contemplation of profit.

I have of course referred earlier to the power reserved to the governor in council to give directives to the corporation, and for compensation, subject to appropriation by parliament, to be paid for losses incurred in giving effect to such directives. This gives the government power to ensure that any tendency to concentrate on profit at the expense of necessary but loss-creating services can be countered. But it will also ensure that such services are clearly identified and the social benefits achieved will be at the cost of the treasury and not of Air Canada.

As I said earlier that is consistent with the principle we have been applying in other areas to railways as well as to Air Canada. We ought to know specifically what it costs if a particular social obligation or other obligation is imposed upon an entity like this and we ought to identify and pay that cost so that the airline or railway in question is not left in the position of either being short of cash to perform its necessary functions or of having to charge more for other services it provides in order to make up the loss on the services to be performed.

The inquiry conducted by the Hon. W. Z. Estey in 1975 resulted in a number of recommendations for changes in the present Air Canada Act. Some of these recommendations have been taken into account, as I have indicated previously, and are in the bill. The bill also addresses the matter of capacities and activities of the corporation and provides for direct government ownership and government directives to which I referred.

In addition, the bill reflects a careful consideration of recommendations contained in the Estey report, such as the expansion of the board of directors to 15 members and their appointment by the governor in council. Here I may say that it will not be our intention to move to fill all these positions immediately but to do so progressively over a period of time. Further recommendations of the Estey report were that the chairman and president be appointed by the government after consultations with the board; bylaws passed by the board to be subject to government approval; and power to the board to delegate duties to an executive committee which must be established.

In addition, the bill contains an innovation which would allow Air Canada to create subsidiaries, subject to the approval of the governor in council. Under the present act, it is the governor in council who, upon petition by Air Canada, can create companies whose shares are subsequently acquired by Air Canada.

Finally I should say a few words about the legal framework of the bill.

Basically, Air Canada would continue as in the past to be a "special act" corporation, but certain provisions of the Canada Business Corporations Act would be incorporated in the special act.

For example, the bill has adopted the "natural person" concept which says that Air Canada can do all things that a "natural person" can do, but with the qualification that this "natural person" power is confined to activities listed in the bill.

Due to the fact that Air Canada's permitted activities are set out, and that its "natural person" power is restricted to these permitted activities, the doctrine of ultra vires would continue to apply to Air Canada. In order to protect third parties from finding themselves in a position in which Air Canada has acted beyond its capacities, thus rendering a transaction null and void, the bill expressly provides that such ultra vires acts by the corporation may not be used against third parties which have acted in good faith.

The bill also contains a number of "housekeeping" clauses. Generally speaking, they describe the relationship between this bill and other statutes.

I have had discussions with Air Canada and others since first reading of the bill and I shall, in the standing committee, propose certain amendments to the bill. Some are intended to ease and facilitate the workings of the corporation, some are intended to be clarification if there is any possibility of doubt about the meaning of a clause, but in its essence the bill remains the same as it is now at second reading.

In committee some substantial amendments will attempt to give the assurance of greater commercial flexibility to Air Canada in order not to impede it in its operations and its competitiveness with other airlines. Changes will be suggested to bring some greater correspondence between the special act and the terms of the Canada Business Corporations Act. In some cases it is a matter of removing doubt about the meaning of a clause in the special act as drafted.

More important, as I indicated earlier there will be the intention to narrow the directive power which is set out in the bill so that it is limited to directions of a general nature. Again I emphasize that is designed to underline the fact that Air Canada should be run essentially by its management and its board of directors who are accountable to the shareholders and to the minister for the people of Canada in the same way as the management of other corporations is, but not subjected to day-to-day interference in those operations. It is not the intention of the government to get into the day-to-day management but rather to leave that to the best management possible for Air Canada.

We also propose to clarify the legal status of Air Canada. While not really believing there is much doubt about it as the special act is written, to resolve any possible doubt we will be prepared to have an amendment put before the committee which will make it clear that Air Canada is not in law or in fact an agent of Her Majesty. That will perhaps serve to further emphasize the nature of the airline as we see it and our objective that it continue to be a first-class world level airline; that it be competitive; that it apply good business principles and that it serve the people of Canada by operating effectively and efficiently and, one hopes, with constantly improved attitudes by all who serve and work in it.

I should like to add some comments on that very point, Mr. Speaker. Air Canada, like any other company, will so often provide good service or better service depending on the total attitude of those who work in it. I pay tribute to the men and women who work in the company, to top management and to all other levels, and express the hope that with the new attitude being shown to Air Canada and its future, and the new approach of its present management, to whom I pay special tribute, there will be constant improvement in the morale and attitude of those who work within the corporation.

● (1700)

While one hopes, as a member of the government or of the travelling public, for efficient service from any air transport company, one may be permitted to have special reasons for wanting it in the case of Air Canada, the shareholders of which are all the people of Canada. I look forward to full discussion on the details of this bill in committee and commend this bill to hon. members and its reference to the Standing Committee on Transport and Communications.

[Mr. Lang.]

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, if I had known this bill was to be discussed so soon, I suggest I would be in a position to make more co-ordinated and lucid comments on it.

More than 12 years ago members spoke in this Chamber on the necessity of separating Air Canada from Canadian National Railways. This bill does that and it is an historic, significant occasion in this the 40th year of Air Canada operations. The airline has finally come of age. It has groaned and moaned for 40 years. In the next 40 years I hope Air Canada will get up off its knees, walk, run, and ultimately fly. Let it provide a service of which Canadians will be proud, and which will bring us prestige as international operators of air carrier service. Of course when I speak of Air Canada service I speak of the total package of services which must be associated with air service.

The bill gives Air Canada the right to enter into activities not directly related to flying, activities such as catering to the tourist trade. I hope we can not only be proud of Air Canada service, but that its service will grow constantly better. The people of Canada still own the airline, and I prophesy they will own it in years to come.

The airline's debt ratio at 97 to three is poor. We are about to reduce that ratio; that is a good and necessary step. If the airline is to enter the market place for financing, its debt ratio should be in the order of 60 to 40, or 50-50. I suspect, from the way the airline has operated in the last ten or 15 years, that the government will come to this House from time to time to suggest methods for injecting more equity capital into Air Canada, in order to sustain its debt-equity ratio. That ratio must be adequate if the airline is to enter the market place to secure the finances for its operating needs. I hope it will not happen, and I do not intend to begin my remarks in a negative manner.

This House and the standing committee will need to consider in depth some of the proposals contained in the bill. Perhaps I might mention some of the ways Air Canada is to be reorganized under Bill C-17. Basically, the bill would separate Air Canada from its parent, Canadian National. It contains four fundamental proposals. First, it would authorize Air Canada to engage in a wider range of activities. Second, it would separate Air Canada from the CNR; the airline would be an entity unto itself. I remind the House that, to the best of my knowledge, it has been the policy of my party for at least 15 years to separate Air Canada from the CNR. We first heard this might happen when the present Secretary of State for External Affairs (Mr. Jamieson) was minister of transport. We heard nothing after that one-line comment made years ago in a budget debate.

Third, the bill would authorize Air Canada to increase its capital stock. This we consider to be necessary. Fourth, it would authorize Air Canada to seek debt financing in the market place. All these points relate to the question of management, on which the minister touched, and to the necessity of improving Air Canada's debt-equity ratio in order that it may go to the market place for its operation funds. Each of those points is worth exploring in detail.

First, let us consider the question of broader powers. Air Canada is rather restricted by the terms of the present act in the type of activities in which it can engage. The proposed act broadens the capacities and activities which the company may undertake, both within and outside Canada. Aside from operating the business of an air carrier, there are references to hotels and other accommodation, surface vehicles and facilities for the transportation and housing of persons, goods and mail; services, facilities and equipment for organizing and conducting tours, catering and providing other passenger-related services, including reservations for transportation and accommodation; and computer and tele-processing systems and technical, advisory and consulting services.

Perhaps in committee we shall discover how far those powers extend. Hon. members no doubt are aware of the events which preceded Judge Estey's examination of Air Canada activities, and know how close Air Canada came to breaking this country's law, and know how some officials in the not too distant past stopped Air Canada breaking the law.

As well, the new act permits the company to establish or invest in subsidiary companies, provided authorization of the governor in council, which means the federal cabinet or the minister, is first obtained. These changes will enable the company to offer a greater range of services and to engage in other activities which may be deemed finanially beneficial. This provision would put right that which Air Canada officials were doing which was wrong. I do not mind doing that. I am confident that most members of this House believe as I do. If Air Canada is to operate successfully, it must operate in areas broader than the simple carriage of passengers and goods. It must engage in other activities. There is general agreement on this side of the Chamber with regard to that.

● (1710)

We will want to look very closely at Judge Estey's suggestions with regard to this expanded authority. That will be done here in the Chamber and in greater detail in committee.

With regard to ownership of the capital stock transfer envisaged by this bill, up until this time all of this stock has been held by CNR, a Crown corporation. What is envisaged here is the establishment of a Crown corporation, albeit subject to the business act, business practices act and so on. Nevertheless, we are establishing another Crown corporation.

This House could well spend a day of its time in the not too distant future looking at the role of Crown corporations and the use to which the government puts the concept of Crown corporations with regard to transportation in Canada. There is VIA rail, if it ever gets any money and gets off the ground.

CN is in an unhealthy position as a result of Air Canada. I do not mind it being a bit of a whipping boy. These things are relatively important as CN, the principal shareholder of Air Canada, has been saddled with enormous debt ever since the birth of Air Canada.

We established VIA as a Crown corporation. We are looking at Canadian National Marine Transportation as a Crown corporation. Now we are looking at Air Canada as a separate Crown corporation with what might be considered as extraordinary authority and power.

The minister undertook this afternoon to deal with the authority implicit in this bill, in the VIA arrangements, in the arrangements for Canadian National Marine Corporation and, indeed, extended to communications.

In the new Communications Act there is implicit clear authority for daily intervention on the part of the minister to ensure that policy and policy guidelines are being followed, not by the boards of directors of these corporations, but by the day-to-day executive of these corporations.

We on this side of the Chamber have argued for many years that there has to be greater political control in the sense of ensuring that the will of Canadians with respect to these tools of all Canadians is the will of the government and parliament, and is being followed. Never did we suggest that that authority go so far as to permit the minister to intervene on a day-to-day basis with the nuts and bolts operation of any of these Crown corporations engaged in transportation matters. That is one matter that will be looked at very closely.

I come back to the ownership and position of Air Canada, that position being one of a wholly owned subsidiary of Canadian National. CN, exercising its proper right and authority, appointed five shareholders to the Air Canada board of directors while the governor in council appointed four.

The proposed act stipulates that shares of Air Canada shall be held by the Minister of Transport in trust for Her Majesty in right of Canada and that the shares are not transferable. It further provides that the corporation shall be under the management of a board of directors comprised of a chairman and president and not more than 13 other directors. What a pork barrel that will be. All of them will be appointed by the governor in council.

As long as the Minister of Transport holds in right of the Crown all of the shares of Air Canada and maintains the right to appoint the chairman and board of directors by order in council, anything to the contrary will be opposed by us if there is an exercise capable of demonstrating an authority to intervene at other than the directors level.

If the minister and the government want statutory authority to intervene and interfere, it is and will remain our position, until we see and are satisfied with the amendments promised a few moments ago by the minister to clarify this, that that is where there shall be ministerial intervention with respect to "policy guidelines". That is where the minister should do it, not at the day to day working level of Air Canada. These are areas we have to look at closely.

We have to look at the authorized share capital. There is a concern in the industry. Indeed Air Canada is concerned with regard to the minimum authorized share capital presently held by it. I think it amounts to $25 million. This amount, together with the accumulated net profits of the corporation, labelled retained earnings, an interesting chartered accountant's view of a damnably high debt the taxpayer has to pay, represents the shareholder's equity. On December 31, 1975, the balance sheet totalled $31.4 million.

I repeat to the minister that we had hoped that the standing committee would have an opportunity to examine the annual report of Air Canada before dealing with Bill C-17. The failure of the government to refer the annual report of Air Canada in each of the last three years is reprehensible. Indeed it could be argued that CN by its association acted illegally for several years. It was not until quite recently that we bothered to obey the law by approving certain of the annual acts that came before us with respect to this.

The same balance sheet shows that the company had long term debt of $1,011.4 million. That is already out of date. There is no question about it. These figures are mentioned because it is in this way that you get the relationship between the $1,011.4 million and the $31.4 million shareholders' equity, comprised of some loans and retained earnings. This puts Air Canada in the desperate situation of a debt ratio of 97 to 3. This means that 97 per cent had to come from borrowing while only 3 per cent represents the shareholders' original investment, plus accumulated net profits.

Someone like myself from the Atlantic provinces who watches this government cannot forget that we have massive debt in rail passenger service in the Atlantic provinces. My God, a desperate debt! If we ran rail passenger trains at the current rate of debt we would never get anywhere with this kind of debt. Yet they are going to write this off. They are going to take our trains away from us; we are going to get buses. We are going to ride from Saint John to Montreal on a bus so we can catch the transcontinental train. I wonder what Joe Howe would say about that if he were here today.

● (1720)

Bill C-17 authorizes Air Canada to issue common shares up to the amount of $750 million, if I read it correctly. It provides for the conversion of part of the existing debt to common shares which, of course, can only be sold to the government. If I understood the minister correcty, $750 million, in that sense, is the upper limit. This may not necessarily be issued with the passage of the bill before us, but in combination with the use of other methods of accepting other debt instruments of Air Canada it will at some point in time virtually absorb the debt of $1 billion or more that is there. I hope I understand this correctly because it is important that I should tell the minister that this is the position in which we are in general agreement. Indeed we cannot see any other way of approaching this problem caused by the existing and mounting debt of Air Canada.

[Mr. Forrestall.]

Over the years Air Canada's need for capital has virtually been met in entirety by borrowing from the government. The proposed act would provide Air Canada with a much greater flexibility in raising funds. We welcome this. In addition to the substantial increase in common shares which can be issued to the government, the company is permitted to borrow from the government. But most important is the freedom to borrow from the long term capital account provided approval has been obtained from the minister of finance. I assume this approval has to be transmitted to Air Canada through the Ministry of Transport. We suggest that this is a form of monitoring which should continue to take place. I suppose that is the only truly logical way for this to happen. We assume it will take place by way of a single resolution before the House which would either be approved or rejected—in the latter case the department would have to find some other way in which to operate.

There is no limit to the amount of borrowing into which Air Canada can enter. We have some concern about the method to be employed by the government, and particularly by the minister, in exercising control over this very broad authority. This is the second area of major concern to those of us on this side. Again, we shall be dealing with it in some depth as the debate continues. Unless the minister is optimistic enough to think that this bill is going through this afternoon, or tomorrow, or Friday, or Monday, I caution him that there are a lot of my hon. friends over here who are concerned to deal with this measure in some depth.

Air Canada is this year celebrating its fortieth anniversary. Yet since 1937 there have been no fundamental amendments to the Air Canada Act. The minister has dealt with Judge Estey's report and has given us some indication of his intention to move with respect to certain of his recommendations which are referred to in the bill itself. Also, he has indicated that there are others which are not dealt with in the bill, and we shall be seeking clarification of the position taken by the minister toward them.

A number of the recommendations in the Estey Report continue to cause us considerable concern, especially those relating to Air Canada's management structure. For example there is the recommendation which states that the position of the board of directors as the ultimate authority should be improved by enlarging the board and forming an executive committee of the board. It is further stated that the independence and stature of the members of the board should be assured by giving statutory tenure and ensuring standards of appointments. In this connection it occurs to us—and I am referring to the last sentence—that it is incumbent upon us to make sure that attention is directed to this area and that an amendment is made accordingly. I say this because it seems to me that standards of qualifications of directors are just as important, when it comes to directors, as the maintenance of the government's right to appoint, arising from the fact that it is the principal shareholder.

Apart from statutory tenure and standards of appointment, we want qualification for appointments to be spelt out clearly. This is not the case at the present time. We want to know, and

I believe the travelling public and those engaged in the transportation industry want to know what the standards of qualifications for appointments are. They should be spelt out very clearly, in the bill. Further in his report, Judge Estey stated:

> The independence of the board in its role as the ultimate internal element of corporate control should be implanted securely and obviously in the statute.

I come back to what I was saying earlier about implicit authority in Bill C-17 and other bills which have been and which will be before us, giving power to the minister and to other ministers to intervene directly in the day to day operations of Crown corporations. This is somewhat repugnant to us on this side. On the other hand, we shall support and encourage his position with respect to his ministerial right to intervene at the board level. The minister has already indicated he is prepared to go further in this regard by way of certain clarifications.

I quote again from Estey. Indeed, Glassco in earlier reports touched on this aspect.

> Finally, the method of appointing directors should be examined. The operation of the Corporation has now attained such proportions as to be a top-ranking national asset. Thus the board performs a fiduciary role of such importance that consideration should be given to its enlargement and to some prescribed standards of qualification or experience, prohibited interests, tenure, etc. etc. to ensure in the future a high level of board competence and independence. There seems no longer to be the original need to have a majority of the directors of Air Canada chosen from the membership of the CNR Board. Certainly the office of the president should be placed on an articulated basis or abolished. If retained he should be a member of the board.

● (1730)

Estey in no way meant to insult the board of directors. Those who have read that particular statement, I am sure, have also read his clarification. The point he is making, with respect to clarification and qualification of the role of the chairman of the board, is that the qualifications for appointment, reappointment and tenure should be clearly known, articulated, and spelled out so that all Canadians would have the trust and faith they richly deserve in this new corporation in order for it to operate in the manner the minister has described. Without it we could have some doubts as to whether it would survive.

Judge Estey's recommendations in this respect are fairly important. I would like to cite the following, which will be the last one, although I would like to go on for another hour or two:

> The Air Canada Act should provide a channel for the government or the responsible minister to issue to the board of directors of the corporation policy directives where the national interest from time to time requires.

That indicates to me Judge Estey was saying there is an institutional responsibility, a parliamentary responsibility, a ministerial responsibility, and a government responsibility. If we interpret this recommendation and its translation into the act correctly, then I think we understand something which will be welcomed by all members in this Chamber. I am referring to the vehicle to pose questions to the minister, which he may not answer simply by saying, "I will bring your representation to the attention of the appropriate Air Canada board or authority". That was never enough for this institution and will never be enough for this institution in the foreseeable future.

We require the right to examine the minister with respect to the degree to which he maintains a capacity to ensure that the board of directors is on top of his guidelines and policies and that they are in fact being implemented by the day to day corporate and executive management. It is through the board the minister must get his assurance, and it is through the board, with the ultimate passage of this particular bill, this Chamber will have the right to seek information, to make inquiries, to understand and to question without the minister being able to say "I cannot do anything with respect to it because it is out of my hands and I cannot touch it". When the minister becomes the holder of those shares and has the authority and governor in council approval to appoint directors, then let him tell me why it is we eat fried chicken every Friday from here to Halifax—cold, stale, sometimes fried chicken. Then let him stand up and tell me why we do not have the seats we richly deserve in the Atlantic provinces. Do not let him tell me then that he cannot tell me because he has no right to interfere. This is the type of interference we welcome and want. He knows the outlet of expression and the difficulties which arise when a minister does not feel obliged to respond to questions with respect to the carrier.

I am sorry this bill came up for debate today. I think the minister is going to get a little light-headed and start feeling big because various things are happening in his favour today. He gave $125 million to the Atlantic provinces. I publicly thank him for that. The sum of $100 million will go a way on highways for us. Perhaps Ponderosa Drive will be paved so that I can drive home over a paved road rather than a muddy one. We also welcome the $25 million which is ear-marked for bus and air support. I hope that $25 million will largely go into air, because this is an area where Air Canada has not been good to regional air carriers. I am not only referring to EPA, but other air carriers with respect to scheduling, paralleling of service, and the related problems this has caused particularly in the last 12 to 18 months.

We hope the minister's bill will get the fullest possible scrutiny. We hope he will respond frankly to us on the question of joint auditorship. We hope he will find the vehicle to name the Auditor General as a joint auditor, not only for this bill but for other Crown corporations dealing with transportation. The result of this would be that members of parliament would have a legitimate vehicle by which to examine the activities of Crown corporations such as Air Canada, Via Rail, Canadian National, Marine Transport and so on.

I will conclude by reminding the minister that the role of Crown corporations in transport relates to the realities of the day and the realities of the need to move our people comfortably and as economically as possible, and to move our goods and freight from one part of the country to another. It must operate in areas where the private sector cannot function as a tool of the economic stability of a region or as a tool of the economic development and growth of a region by way of having to maintain, because of federal regulatory authorities,

routes which are unprofitable. Unprofitable routings must be the responsibility of the people of Canada.

There is a will, not only in this Chamber but among the taxpayers of Canada, to ensure that best possible transportation modes are maintained and developed as need demonstrates. Where it is unprofitable and where there is a clear need for an economic stabilizing capacity or an economic development capacity, it can only be done by Crown corporations in my judgment. To that end I wish the minister well with his bill. There are three years of history waiting to be touched upon. I suggest the minister dust off his pants, sit down and listen. We will be here in July or August discussing this piece of legislation. I think it is worth it. When we are finished, I hope the minister has a good piece of legislation, and I hope Air Canada has a piece of legislation by which it can achieve the desired ends the minister mentioned in his concluding remarks.

To that end, the members of the opposition will lend the support they can. We hold out no promises of swift passage but rather, to the degree to which the minister is prepared to amend the shortcomings in the bill, to bring forward amendments that will overcome our difficulties with respect to it—to the degree he is able to do that and is prepared to do that, we will be prepared to support him in the passage of this legislation, and I look forward to speaking on it again at a later date.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, members of the New Democratic Party, and CCF members who preceded the NDP, always supported Air Canada and always supported the concept of a publicly owned and operated transcontinental air carrier.

● (1740)

If all that this bill did, Mr. Speaker, was to split Air Canada off from the CNR and permit it to operate independently and more efficiently, we would have no objection to the bill. The bill itself is rather simple, providing for the setting up of Air Canada as a separate Crown corporation split away from CNR, which presently owns all the outstanding shares, and for some rearrangement of financial matters made necessary by this split. In addition, clause 8 makes the corporation directly liable to "comply with directions given to it in writing by the governor in council".

The other important change in this legislation is the modification of the system under the old Air Canada Act whereby the government contracted with Air Canada for the provision of services such as access to remote areas, passenger and freight services on sparsely populated runs, and so on. Clause 9 of the bill authorizes the government to modify this payment arrangement with Air Canada so that the former contract arrangement is replaced by government order, accompanied by a subsidy to cover the amount of loss incurred in carrying out the order.

We are opposed to this bill not because of what is in the bill or because of anything the minister said in his introduction today; we oppose it because of certain sections of the throne speech of last October and statements made by the minister outside the House regarding what he sees as the future of Air Canada. Let me quote one passage in the throne speech:

> In a further effort to reduce the size of government as well as expand the range of opportunities for private enterprise, all federal programs will be reviewed to identify those government activities which could be transferred to the private sector without reducing the quality of service to the public.

In January of this year the minister sent a letter to the chairman of the CNR indicating his intention to see this policy implemented. To this end he said he would like to see the CNR broken up into identifiable profit centres which could be auctioned off as units to the private sector. This very cogent critique of the situation was referred to in a column by Geoffrey Stevens which appeared in the *Globe and Mail* for January 20, 1977, and I should like to quote a few parts of his article. Mr. Stevens wrote this:

> In the first eight years after the National Transportation Act came into force (in 1967), these subsidies totalled $646 million (compared to $334 million for the rival CPR).

He goes on to say that the CNR seems to have turned the corner so far as operating expenses are concerned and is in a position where it will shortly be making a small profit. He then asks a very simple question, one I think the minister should answer on some occasion, perhaps in closing this debate. Mr. Stevens asks:

> If CN is going to start making money, why should private investors and stock market speculators reap the benefit? Why shouldn't the general public get something back for carrying the freight all these years? There's no law that says the taxpayer may only own enterprises that lose money.

I think Mr. Geoffrey Stevens makes a very pertinent comment. The splitting off of Air Canada from the CNR is the first evidence of this splitting off of these profit centres. The minister has admitted in interviews with the press that its purpose is the eventual privatization of Air Canada. To this end, the replacement of the old contract for a services relationship between the airline and the government has been replaced by a system of direct subsidization of unprofitable services, with the intention of putting Air Canada in the position of showing an accounting profit in order to make it more attractive to the private sector as a purchase.

The Minister of Transport has suggested that this relationship is the first step to the opening up of all of the former contracts for services routes to competitive bidding between Air Canada, CP and other airlines, which would have the effect of putting Air Canada on a completely commercial basis identical to that of CP, and increase the possibility of its being sold off as a unit to the private sector.

According to a CBC report on October 29, the minister said that he saw Air Canada eventually becoming a private corporation. He said that routes that now have to be operated by Air Canada whether it makes a profit or not, will not have to be operated by Air Canada whether it makes a profit or not, but will be open to competitive bidding and that the successful applicant will get the routes and the subsidy that goes with them. The minister said the reason behind the move was that he wanted Air Canada to be as profitable as possible so that it will be in a position where private ownership of the airline might be possible.

Simply put, what the minister wants is the money making routes identified and separated so that private investors would be willing to take over Air Canada—that is, the profitable part. This would mean that ultimately we would have a private airline operating the profitable sectors, such as transcontinental routes of which 75 per cent are now operated by Air Canada, and private carriers would operate losing routes with government subsidies. I come back to the question Geoffrey Stevens asked: where is it written that governments can only operate losing routes and should leave to the private investor, those who can afford to put money into making money, the profitable routes?

In an article on October 16 the *Financial Post* gave some indication of how the new legislation could affect this changeover. While the article was written before the first reading of the bill, it appears to have predicted the legislation as it is. According to the *Financial Post* of that date, a relatively small section of the bill sets out new operating rules for the airlines. Any additional operating instruction, such as new activities in air routes, would have to be spelled out by the Minister of Transport.

We have tried to check Bill C-17, Mr. Speaker, and it seems to us that what the *Financial Post* was referring to was the powers granted under clauses 8 and 9 of the bill. Clause 8 provides that Air Canada shall comply with directions given to it in writing by the governor in council. Clause 9 provides:

(1) The Governor in Council may

(a) direct the method of calculation of any losses incurred by the corporation as a result of compliance with section 8;

(b) direct that an audit be made of losses calculated pursuant to paragraph (a), and

(c) determine the manner of payment of compensation to the corporation for losses verified pursuant to paragraph (b).

It seems to us that by this method money losing services will be identified and compensated for, and this would then fulfil the minister's objective of making Air Canada attractive to private investors. If that is true, Mr. Speaker, then we certainly cannot support the bill.

The minister keeps on talking about commercial viability and profitability. In the debate we had earlier on another bill I referred to how contrary that is to the basic principles enunciated by Mr. Justice Hall in the report which was tabled some days ago and with which the minister supposedly agrees.

The whole idea of commercial viability and profitability was attacked by the former minister of transport, Mr. Marchand. In June of 1975 he made a statement, and I should like to quote a few sentences from that statement to show how much the then minister was in opposition, at least according to the statement he made, to this whole concept, which this minister has enunciated since taking over this portfolio. Let me quote from that statement by the then minister of transport, Mr. Marchand, who said:

● (1750)

If you look at the size of this country and the distribution of its population you will see that you cannot have a transportation network which is economic everywhere; you cannot have an economic system of transportation to service the north, for example, or to service those regions of the country where the population is very thin. You cannot have an economic system for regions which are remote from the centre.

Then he went on to say as follows:

In central Canada, for example, many transportation services and facilities are highly developed and competitive, with shippers having a choice as to rail, truck, ship or plane. In some parts of Canada, however, while the facilities and services may be well developed, there is a lack of competition . . . Still other parts of the country, such as the north, are undeveloped in terms of transportation facilities and services and it is unlikely, in many cases, that there will be much competition because of the nature of the products or the geography over which they move.

Transportation policy must therefore recognize the fact that there is a wide range of facilities and services, operating under different degrees of maturity and competition. It must enable each to be treated in an appropriate manner, and not, as is now the case, as exceptions to a policy which relies principally on competition.

Having made that statement on behalf of the government in June of 1975, we have the Minister of Transport doing everything he can to destroy the whole concept on which the former minister based his statement of June, 1975. This minister is again talking about commercial viability, and instead of a transportation policy which would take into consideration all the modes of transportation which are available in Canada, that is air, rail, bus, ships, and the private motor car, and evolving a policy under which each would be used to the maximum efficiency and at the least cost, we have the minister bringing in a bill to do with the railway, a bill to do with ships, a bill to do with airlines, each one separate, each one devised apparently without thought of what the effects of the proposals would be on the other modes of transportation.

The announcement of transportation policy in June, 1975, included a statement on the responsibility of government to attend to the provision of an efficient total transportation system involving all modes of transport. The Minister of Transport is using a fragmentary approach to transport instead. How can we look at an over-all policy with bits and pieces? By studying the various modes in isolation?

The minister uses the word rationalization a lot. How can we be rational by making cutbacks here and there without eliminating the inefficiencies and waste in the over-all system? For example, this summer there were 56 daily departures of public transport between Montreal and Ottawa, 14 of them commercial aircraft. What about the waste and duplication of having two major airports in Montreal? We have not had a rational discussion about that.

It is not rational to consider operating costs without regard to infrastructure investment. The actual investment in each mode is just as important as subsidization of costs. The implications of transport investment upon employment and energy conservation must also be considered and have never been considered by the government.

Our present transport system does not serve us very well. It is a patchwork of competing modes rather than an integrated complementary system. The result is that we have an unbalanced transport system with congested roads, high energy requirements, and lack of integration between modes.

Support for civil aviation infrastructure has grown from $120 million per year in 1954 to $354 million in 1973. Only 25 per cent of infrastructure costs of air travel are covered by charges to the air traveller. The average Canadian does not receive a fair share of this investment benefit. In 1973, 70 per cent of those using air service over long distances had incomes over $10,000, and of these some 65 per cent had incomes in excess of $15,000. The CTC inter-city transport study 1970 found that over 60 per cent of all air trips are made by the segment of society whose income exceeded $13,000 per year. Conversely, the same study found 64 per cent of rail and 73 per cent of bus trips are made by people whose income is less than $11,000 per year.

Yet, federal rail policies have not encouraged growth of rail usage. The hon. member for Dartmouth-Halifax East (Mr. Forrestall) when he spoke earlier talked about the proposal of this government virtually to wipe out rail transportation between St. John's, Newfoundland, and Montreal. Railways are the only mode which attempts to finance all infrastructure out of operating revenue. The type of financing improvement needed to expand and improve the service has not been provided.

Bus travel has stagnated. No operating subsidies are paid to bus operators. Over 80 per cent of inter-city movement has been by automobile. Road costs have increased from $1 billion in 1955 to $3 billion in 1973. The net loss after revenues was $1.15 billion for roads in Canada in 1973, according to an interim report on inter-city passenger movement in Canada by Transport Canada.

The real costs of transportation must also include costs of accidents, pollution, land use, travel time, and energy usage. Those transport systems such as rail and bus which are most efficient in the use of fuel should receive priority in transport planning. Transport consumes about 25 per cent of all energy in Canada. The minister is quick to tell us that we cannot afford to subsidize rail service and that we must cut back on rail service. Yet the minister continues to increase the subsidies that are given for air travel—

The Acting Speaker (Mr. Turner): Order, please. It being 6 p.m. this House stands adjourned until 2 p.m. tomorrow.

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 26, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

CONFEDERATION

REQUEST FOR STATEMENT BY PRIME MINISTER ON PLANS TO MAINTAIN NATIONAL UNITY—MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. The Minister of National Health and Welfare has claimed in an interview that the separatists in Quebec voted Liberal in the by-elections two days ago. This clearly implies that the separatist voter in Quebec has decided that the quickest way to achieve his aims of breaking up the country is to keep the federal Liberals in power in Ottawa. Therefore, I move, seconded by the hon. member for Lambton-Kent (Mr. Holmes):

That the Prime Minister state on motions what new initiatives he plans to take in view of this interesting development.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ATOMIC ENERGY OF CANADA LIMITED

PROPOSAL TO PROHIBIT ESTABLISHMENT OF FACILITIES FOR PRODUCTION OF PLUTONIUM—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43, which arises out of information made available yesterday that AECL, a federal Crown corporation, has established a co-ordinating committee with Ontario Hydro in order to develop detailed plans to establish a nuclear energy facility for the production of plutonium, a substance extremely dangerous both to produce and to maintain. It is precisely this substance with its dangerous possibilities that President Carter in the United States recently decided to ban from production, concluding that such critically radioactive fuel could lead to devastation on a massive scale should a major nuclear accident occur. Grave doubts have also been raised on precisely this matter by the government of the United Kingdom. I therefore, move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of Energy, Mines and Resources take immediate action to prohibit AECL from continuing with its plans with Ontario Hydro to establish a nuclear energy facility for the production of plutonium.

● (1410)

Mr. Speaker: The presentation of such a motion for debate pursuant to the Standing Order can only be done with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

ALLEGED DISCRIMINATION AGAINST SOCIAL CREDIT PARTY—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move an important motion of pressing necessity.

Considering that last Sunday evening the English network of the CBC on its program *News Magazine* dealt with the by-elections during which the Social Credit Party of Canada was completely ignored while the leaders of the other three federal political parties were introduced, considering that last Tuesday evening the French network of the CBC did likewise, interviewing the leaders of the other three parties, two of which did not even have a single member elected and wilfully refraining from interviewing the leader of my party, who was in the Témiscamingue constituency with the new Social Credit member, Mr. Gilles Caouette, and considering that such a situation is not new but well established, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the House of Commons severely criticize the CBC for its discrimination against the Social Credit Party of Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

[*English*]

URBAN AFFAIRS

SUGGESTED RESUBMISSION OF APPLICATIONS FOR DEMONSTRATION PROJECTS—MOTION UNDER S.O. 43

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I rise under the provisions of Standing Order 43 to raise a matter of urgent and pressing necessity. Now that the Minister of Justice (Mr. Basford) has revived the concept of the urban demonstration program with the help of the Minister of State for Urban Affairs (Mr. Ouellet) in order to finance some of his pet projects in Vancouver, I move, seconded by the hon. member for Surrey-White Rock (Mr. Friesen):

That other municipalities be invited to resubmit the more than 200 applications that were returned to them on the collapse of the original urban affairs program, projects more suited as demonstrations than a renovated swimming pool.

Mr. Speaker: Standing Order 43 requires that before the presentation for debate of such a motion the unanimous consent of the House must be given. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

ERECTION OF SCAFFOLDING FOR TELEVISION LIGHTING

Mr. Speaker: Before beginning the question period, although it is probably not necessary, I might draw the attention of hon. members to the presence of some scaffolding equipment in the chamber. This equipment will remain, pursuant to the mandate of the Special Committee on Televising and Broadcasting the Proceedings of the House, for two days so that some lighting tests, which will be of invaluable aid to the committee in its work, can be carried out. I hope hon. members are not unduly inconvenienced.

ORAL QUESTION PERIOD

[*English*]

ANTI-INFLATION PROGRAM

DATE ON WHICH CONTROLS ABOLISHED

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Prime Minister. I will give him an opportunity to get back to his seat.

Mr. Baker (Grenville-Carleton): He is consulting the Solicitor General.

Mr. Stevens: In the Paris newspaper *Le Monde* the Prime Minister was quoted as saying in an interview: "It would be folly in my view to abolish controls before the general election". Would the Prime Minister indicate to the House whether this quotation accurately represents his views?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, accurately with a slight hyperbole introduced into the language. I have always felt that there is a very strong argument for keeping controls as long as possible, except and until we have agreement from the main economic decision-makers in the economy on some kind of voluntary restraint. That is the idea I was developing, and I feel it would be folly just to remove controls without any kind of agreement, whether it be before or after an election.

REQUEST FOR PROGRESS REPORT ON VOLUNTARY AGREEMENT ON RESTRAINT BY BUSINESS AND LABOUR

Mr. Sinclair Stevens (York-Simcoe): Would the Prime Minister indicate what he feels is the present state of the voluntary agreement that he may be seeking so far as labour and business are concerned? Is there progress? Can the Prime Minister announce that in fact there will be such an agreement in the near future?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we do feel we have made substantial progress in both bilateral and trilateral meetings. The next step as far as we are concerned will consist in the tabling tomorrow by the Minister of Finance of the green paper he mentioned in the budget debate. That green paper will put forth in more detail the kind of national consensus we would like to see develop before controls are removed.

Mr. Stevens: A final supplementary question arising out of those two answers. Is it fair for the House to assume that in fact the government has not arrived at a date that they think would be suitable to commence the decontrol phase of their anti-inflation program?

Mr. Trudeau: Yes, Mr. Speaker. The matter was dealt with by the Minister of Finance in his budget speech. He indicated it would not be before such a date unless certain things happened and of course the possibility that it could be after that date is always a real one but one we hope will not materialize. We would still prefer an earlier decontrol date than December 1978 but once again, we want to achieve the maximum degree of voluntary restraint before that takes place.

REASON MINISTER OF FINANCE WILL NOT CONSULT PROVINCES FURTHER ON DATE TO END CONTROLS

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is directed to the Minister of Finance. It concerns the minister's rather high-handed statement that he, without any further consultation with the provinces, intends to make an announcement on the termination date of the controls program. In light of the support which many provinces have given the program and in view of the risks that they have run in

doing so, will the minister tell the House why he does not feel any necessity to meet further with the provinces on this matter?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, that was the conclusion arrived at in the meeting I had with the provincial ministers of finance some weeks ago. I think the fair consensus to be drawn from that particular meeting was that, in the first place, there was no preferred time by all of the provinces as to when the controls should be brought to an end and, secondly, that the ultimate responsibility in this regard would have to be taken by the federal government.

Mr. Kempling: A supplementary question, Mr. Speaker. If the minister knows when he will announce a decision it would appear that he also knows what the decision would be. Will the minister tell the House why he will not avoid the damaging uncertainty that two more months of vacillation about controls will certainly cause and inform the House of the government's decision tomorrow?

Mr. Macdonald (Rosedale): Mr. Speaker, neither of the assumptions made by the hon. member is accurate. He has just made the criticism that we are going to make an announcement without consultation and then he criticizes me for engaging in further consultation with the community.

* * *

ATOMIC ENERGY OF CANADA LIMITED

PLANS FOR ESTABLISHMENT OF PLANT TO PRODUCE PLUTONIUM—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. It concerns a meeting of federal government agencies in regard to nuclear policy which took place on February 28 this year at which senior officials of AECL, including both the chairman and the president, presented their plans for extending Canada's current nuclear program into the extremely hazardous area of fuel recycling. These plans call for the acquisition of a site during the fiscal year 1977-78 for the location of a waste disposal area and for a recycling plant which would be on line in 1985-86. Can the minister tell the House whether these plans, prepared by a Crown corporation which reports to him, represent government policy? If not, does he approve of representatives of that corporation entering into close co-operation with other levels of government to develop and encourage nuclear recycling before this is in fact government policy?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member is referring to an old report. If he checked *Hansard* he would see a question was put to me in the last two weeks. My answer stands. There is no new development. The government has not taken a decision to build or have built plutonium or nuclear recycling or reprocessing facilities.

POSSIBLE APPROVAL OF EXPENDITURE FOR ACQUISITION OF SITE IN ONTARIO FOR DISPOSAL OF NUCLEAR WASTE

Mr. Edward Broadbent (Oshawa-Whitby): A supplementary question, Mr. Speaker. In an interview given since then the President of AECL has said that the federal government is unabashedly pro-nuclear and that he expects approval for the project to be granted in stages, starting later this year. Will the minister comment on that opinion of the president of the Crown corporation which reports to him; is this opinion accurate? Will a decision on nuclear reprocessing be made by the end of the year and more specifically, does he foresee approving the inclusion in his department's estimates for the next fiscal year of a $4.1 million item that AECL says it needs for site investigation and acquisition?

• (1420)

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, of course, the president was speaking in his personal capacity when he stated his opinion about the views of the government. Answering the second question, on whether we will make a decision by the end of the year on the reprocessing facility, I can hold out no hope that we will. We may make our decision by then, or make it much later. As the hon. member knows, we have agreed to concert our policies with those of President Carter. That, clearly is an ongoing matter. To answer the question on research, the expenditure of $4.1 million to which the hon. member referred for a nuclear disposal site seems to be prudent. AECL, in co-operation with the Ontario government and Ontario Hydro, should be looking at potential storage facilities in which to put waste from the nuclear reactors operating in Ontario. Those nuclear reactors produce more than 95 per cent of all nuclear waste in Canada.

* * *

ENERGY

REQUEST FOR PUBLIC INQUIRY INTO NUCLEAR PROCESSING

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my final supplementary question relates to the need for a broader, more comprehensive inquiry into nuclear policy. The minister has previously said in the House that an additional public inquiry into nuclear processing is not necessary at this time because other provincial public inquiries are examining this precise-nuclear question. I ask, does the minister know that the provincial inquiries to which he referred said reprocessing is a federal matter, therefore not for inclusion in their hearings. If he did not know this will he now say if he will change his mind on the need for a public inquiry before approving nuclear reprocessing?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I remind the hon. member again that I have encouraged the standing committee dealing with natural resources to direct its attention to this question.

Mr. Broadbent: Come on!

Mr. Gillespie: I hope it will find an opportunity in its schedule to consider this question, and other nuclear questions.

Mr. Broadbent: Do you expect this to happen in committee?

REASON FOR CONSIDERING ESTABLISHMENT OF PLUTONIUM EXTRACTION PLANT

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, may I direct a supplementary question to the Prime Minister? In view of the previously expressed government policy, expressed by the Prime Minister himself in this House as late as May 17 last, relating to the undesirability of having in Canada or anywhere in the world plutonium reprocessing plants, I ask, why is the government permitting AECL, a Crown corporation, to engage in an expensive study for the building of a $1.5 billion plutonium extraction plant in Ontario?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the position on reprocessing plants was one we were still defending in London as recently as two weeks ago. I must ask the minister to advise me about the building of a plutonium extraction plant.

Mr. Lawrence: Mr. Speaker, my final supplementary question to the Prime Minister is this. On May 12 last he said, "Much of our safeguards position centres around the undesirability of having reprocessing plants. President Carter was stating the view we had already stated many times." We now hear news about a secret meeting on February 28 last, involving AECL officials, respecting very advanced plans to build a $1.5 billion reprocessing plant.

Mr. Broadbent: With the Ontario government.

Mr. Lawrence: These facts do not jibe. Could the Prime Minister please reconcile the two obviously contradictory points of view? I wonder if the Prime Minister could do it, because we have already heard from the minister.

Mr. Trudeau: Mr. Speaker, I just told the hon. member I would ask the minister about it. I am asking him to answer publicly in the House, but if the hon. member would rather have the minister not answer, I will have him give me the answer outside.

Mr. Hnatyshyn: Why are they buying land?

Mr. Trudeau: That's what I want to know.

Mr. Baker (Grenville-Carleton): In this government the right hand does not know what the left hand is doing and that is the problem.

[Mr. Broadbent.]

[*Translation*]

CANADIAN BROADCASTING CORPORATION

MINISTER'S KNOWLEDGE OF ABSENCE OF CAMERA CREW AT ROUYN-NORANDA

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, my question is directed to the Secretary of State.

Is the minister aware that the Canadian Broadcasting Corporation was not in attendance with a camera crew at Rouyn-Noranda last Tuesday night on the occasion of the election of a new member of the Social Credit Party of Canada when the national leader of the party was present?

[*English*]

Hon. John Roberts (Secretary of State): Mr. Speaker, I will take the hon. member's remarks as a representation and certainly try to reply to his question as directly as possible.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, a supplementary question.

Can the Secretary of State explain to the House how the CBC, a company that belongs to us since our taxes pay for it, succeeded in arranging for live coverage of all the Liberal candidates elected Tuesday night, as well as all the party leaders, except, of course, the new Social Credit Party member, Mr. Gilles Caouette, and the leader of my party?

[*English*]

Mr. Roberts: Mr. Speaker, I cannot give the answer immediately, but I will certainly provide the hon. member with a reasonable explanation as soon as possible.

* * *

ROYAL CANADIAN MOUNTED POLICE

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—POSSIBLE AUTHORIZATION BY MINISTER—CONSULTATION PRIOR TO GUILTY PLEA BY OFFICER

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I have a question for the Solicitor General. It follows up on questions asked in the House yesterday. In a rather surprising development that occurred following the investigation of a break-in by the police of L'Agence de Presse Libre du Québec in Montreal, three senior police officers entered a plea of guilty, namely Chief Superintendent Donald Cobb, Inspector of the Quebec Provincial Police, Mr. Coutrille and Inspector of the Montreal City Police, Roger Cormier. Can the Solicitor General tell us today whether there was any consultation between him and these three senior officers, particularly the officer of the RCMP before they entered the guilty plea. Can he tell us today whether there is anything that can be construed as authorization by his department before the break-in was conducted?

Hon. Francis Fox (Solicitor General): Mr. Speaker, on both accounts the answer is an unequivocal no.

DESTRUCTION OF DOCUMENTS FROM PRAXIS CORPORATION—PRIOR CONSULTATION WITH MINISTER

Mr. F. Oberle (Prince George-Peace River): I accept the Solicitor General's answer. It takes me back to the situation with regard to the break-in of the Praxis Corporation in Toronto. The Solicitor General said yesterday that the Official Secrets Act required the RCMP in such cases to consult with the Solicitor General before certain investigative procedures are implemented. That was in response to several questions regarding the destruction of certain documents by the RCMP, documents belonging to the Praxis Corporation. Can the Solicitor General tell us whether there was any consultation between him and the RCMP before these documents were destroyed? Was there any consultation between him and the RCMP before the documents that were not destroyed were returned to the Praxis Corporation?

Hon. Francis Fox (Solicitor General): Mr. Speaker, as to the destruction of the documents that the hon. member refers to, there was no consultation whatsoever. I am not clear at what point the documents the hon. member refers to would have been destroyed. I am sorry, but the second part of the question seems to have slipped my mind. Perhaps the hon. member can repeat it.

Mr. Oberle: I will repeat that part of the question. Inspector Venner has now admitted that certain documents were destroyed. The documents were kept illegally by the RCMP for seven years and were not returned to the rightful owner in that period of time. Were these illegal acts indeed perpetrated with the consent of the Solicitor General's office?

Mr. Fox: No, Mr. Speaker. The hon. member refers to documents being returned. They were returned after the matter was brought up in the House following questions raised by the hon. member. At that time I was informed by the RCMP that they still had some documents on hand. At that point, at the request of the Commissioner, the documents were returned to the Toronto police who were conducting an investigation into the matter. That jurisdiction will have to decide whether any further steps will have to be taken. The hon. member is prejudging the issue when he states in this House that the RCMP committed an illegal act.

ALLEGED ILLEGAL ACTIVITIES OF SECURITY SERVICE—REQUEST FOR PUBLIC INQUIRY

Mr. F. Oberle (Prince George-Peace River): I will direct my final supplementary question to the Prime Minister. I ask this question in light of what happened in Montreal and in light of all the questions and answers in this House in January and now with regard to certain activities of the security section of the RCMP. In the light of the fact that these activities are clearly identified, now as being not in conformity with the law, can the Prime Minister enter a plea of *mea culpa*—

● (1430)

Mr. Paproski: That is German for I am guilty.

Mr. Oberle: —and offer the House a judicial inquiry under the Inquiries Act into all aspects of the extra parliamentary concept, particularly the break-in and arson at the Praxis Corporation office in Toronto?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would begin by recognizing that the hon. members questions are perfectly legitimate. I would be as worried as he is if I did not know all the facts. I do not know all the facts—

An hon. Member: Then you are worried.

Mr. Trudeau: —but I do know that in both instances the government was in no way involved. Second, that the police action in the Montreal case is before the courts—

Mr. Baker (Grenville-Carleton): They pleaded guilty.

Mr. Trudeau: And in the Toronto case there is an absolute denial by the federal police that they were involved in any way in breaking in and illegally obtaining documents. A police investigation is presently being conducted by the Toronto police and if this does not bring the matter sufficiently to light I will consider an inquiry. But I have indicated on previous occasions my preference, and that of the government, is to follow due process. If the courts cannot seem to get to the bottom of this matter I will consider an inquiry.

* * *

SUPPLY AND SERVICES

REASON FOR FAILURE OF DEPARTMENT TO MAKE A FAIR PERCENTAGE OF PURCHASES IN ATLANTIC REGION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Supply and Services. It relates to the procurement policies of the Department of Supply and Services. Although the Atlantic region contains 9.5 per cent of Canada's population, of the $1 billion spent on commercial supply by the minister's department only 6.3 per cent went to the region and of the $1.9 billion spent on science and engineering procurement only 2 per cent went to benefit Atlantic Canadian industry. Since these percentages, which underline the minister's negligence with respect to regional development needs—they are well below any proportion based on relative population and in one case involve a reduction by as much as 50 per cent compared with expenditure in the previous year—can the minister explain why he is following policies which, in effect, cause greater regional disparity in the Atlantic region and which seem to fly in the face of action taken both by his colleague, the Minister for Regional Economic Expansion and of the government's overall commitment?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, my department is not responsible for the industrial base within the various regions of our country, but it must see to it that businessmen everywhere in Canada have equal opportunities to do business with the government. It is with

this in mind that, together with departmental officials, I visited Canada from coast to coast to meet businessmen and indicate to them how they can contact and do business with us, how they can submit to us their grievances for possible settlements. As a matter of fact, very shortly, that is in mid-June, I shall go with my officials to Nova Scotia to meet the businessmen of the province and instruct them on how to do business with us, within the "Operation Access" program.

[*English*]

KNOWLEDGE OF PRIME MINISTER OF EFFECT OF DEPARTMENT'S PURCHASING POLICIES IN ATLANTIC REGION—GOVERNMENT ACTION

Mr. David MacDonald (Egmont): A supplementary to the Prime Minister—I am not sure whether the right hon. gentleman heard the response given by the Minister of Supply and Services. Might I say to him that as a result of declining expenditures on the part of the Ministry of Supply and Services a greater degree of disparity is being brought to the Atlantic region resulting in a loss this year of at least $122 million by reason of the present procurement policy of the department. Has the Prime Minister been made aware of this serious reversal and of this substantial shortfall on the part of the department? What action is being taken to correct this situation? Specifically, has the Prime Minister issued any instructions to the Minister of Supply and Services with a view to overcoming what must be, at the very least, a ghastly error which contradicts and undermines any attempt to achieve regional equality in this country?

Right Hon. P. E. Trudeau (Prime Minister): I apologize to the hon. member. I did not hear the answer given by the minister. But I can assure him that it was made a matter of policy some years ago that, as far as possible the department would ensure that regional considerations and the concern for greater equalization were taken into account in the purchasing done by the department. I know that the minister has travelled around the country a great deal, meeting businessmen in every part of Canada so as to facilitate access by them to the services of his department.

Mr. MacDonald (Egmont): I hope the Prime Minister will have a chance to look at the facts. Not only has there been a decline in absolute terms, there has been an even greater decline in percentage terms. Would the right hon. gentleman make himself aware of this situation and consult with the governments of the Atlantic provinces and with the federal department concerned to reverse this serious trend, one which is undermining the effort toward lessening regional disparity and which must surely be running counter to the policy commitment he mentioned.

REASON FOR FAILURE OF WESTERN CANADA TO RECEIVE FAIR SHARE OF SCIENCE AND ENGINEERING PROCUREMENT

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I have a supplementary question, also directed to the Minister of Supply and Services. The minister remarked that various areas have equal rights, but I question whether they have equal opportunity. My question relates to the minister's statement in Moncton recently that his department was genuinely concerned about regional disparity. Why is it that in terms of science and engineering procurement for 1976-77, western Canada received only 3 per cent of the total purchases and in terms of commercial supply only 20 per cent?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, as I said before, necessarily the regional industrial base generates governmental contracts for these areas. It is a matter of not indulging in discriminatory policies towards any area, but rather to help businessmen in remote areas of the country to do business with us. The more successful the administrative decentralization policy of this government will be in setting up public service work units throughout the country, the more we will be able to generate contracts in these areas and to help small and medium-sized regional undertakings. This is the policy we are going to implement.

[*English*]

Mr. Brisco: That was indeed a strange statement from the minister on the subject of regional disparity considering that the facts have already been disclosed in the House. How soon can he assure us that there will be an upward revision and a more appropriate balance in the purchases made by his department both from the Atlantic provinces and from Western Canada?

Some hon. Members: Hear, hear!

* * *

[*Translation*]

IMMIGRATION

WILLINGNESS OF MEMBER TO ENFORCE POWERS GRANTED PROVINCES UNDER BRITISH NORTH AMERICA ACT

Mr. Gilles Marceau (Lapointe): Mr. Speaker, my question, which is directed to the right hon. Prime Minister, relates to the document submitted by the Quebec Minister of Labour to the federal Minister of Manpower and Immigration on the subject of immigration.

The Prime Minister mentioned that if additional powers were given to the province of Quebec, they would also be given to the other provinces. In order to find a conciliatory solution, is the Prime Minister willing to take into consideration the provisions of the British North America Act section 95 which gives the federal government a latitude of power which could help find a solution?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. member for bringing this section to my attention. I shall reply that, as a matter of principle, the federal government has already made particular arrangements with some provinces at the administrative level. In answer to a question asked by the opposition, I gave recently several examples of those arrangements. The hon. member is asking

me if such arrangements are possible at the legislative level. Without attempting to give legal or constitutional advice, I believe the hon. member is right to suggest that such legislative arrangements would be possible with one province. That being said, the trend of the federal government remains not to seek special arrangements and, as a general rule, if we made legislation on behalf of one province, I would say we would do the same on behalf of any other province.

* * *

● (1440)

[*English*]

TRANSPORT

RAIL SERVICE IN ATLANTIC REGION—EXTENSION OF SUBSIDY TO ALL RECOMMENDED PASSENGER SERVICES

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is addressed to the Minister of Transport. In view of the fact that the CTC railway transport committee has just begun its public hearings on rail passenger service in the maritimes, was it fair for the Minister of Transport to prejudge those hearings by making a statement which implies there will be only one passenger train a day from Montreal to Halifax and no passenger service to Cape Breton and other parts of the maritimes; and in view of the urgent importance of rail service to all parts of the maritimes, will the minister agree to extend the 100 per cent subsidy to all rail passenger service recommended by the CTC?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, it is, of course, our stated policy to extend the 100 per cent subsidy and the over-all improvement program to those rail services which are identified and will remain following the process in which we are engaged. What was fair, to use the hon. member's word, was what we did, which was to place before the commission, by agreement among five governments, the four Atlantic governments and ourselves, the study paper and work which had been done by the governments together under the auspices of our transportation joint committee, which analyzed the situation and the cost and benefit advantages of using dollars more wisely for the over-all benefit of the Atlantic region. The very extensive $125 million transportation package for the Atlantic provinces which was announced yesterday is evidence of our intention to use money more effectively for the Atlantic provinces. We intend not to save dollars but to have a far better Atlantic transportation system by spending dollars where they do the most good.

POSSIBILITY NOVA SCOTIA AND NEW BRUNSWICK WILL NOT BENEFIT FROM MOST EFFICIENT FORM OF SERVICE

Mr. Andy Hogan (Cape Breton-East Richmond): Well, Mr. Speaker, I should like to debate that with the minister at some time but obviously I do not have time during the question period. In the minister's memorandum outlining the expenditure of $125 million over a three year period there is no mention made of improving equipment and facilities, such as passenger trains, locomotives, rail beds and so on. Would the minister agree that it is likely that this agreement will mean that the maritime provinces, and especially the two which depend upon railroads, Nova Scotia and New Brunswick, will be gaining in the railroad industry the technology of the 1940s and 1950s, while other provinces across the country are opting for increased, more efficient, rail passenger transit systems?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, yesterday's announcement did make clear that the Atlantic region, as other regions, would benefit from the previous statements which had been made by this government. We believe that the upgrading of rail passenger service is essential and that the old system of 80 per cent subsidy coverage has to give way to 100 per cent subsidy coverage. That, of course, is coupled with our view that where taxpayers' dollars are involved we have to make some tough but sensible judgments about which services can indeed be afforded.

* * *

[*Translation*]

AGRICULTURE

REQUEST MINISTER FILL VACANT VETERINARY POSITIONS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is directed to the Minister of Agriculture.

Can he tell the House whether there are vacancies in the group of veterinaries who are assigned to meat inspection in Quebec? If so, can the minister tell us whether he will act soon to have these vacancies filled to prevent the slaughter of unhealthy animals and the sale of tainted meat, as was the case in Quebec a few months ago?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, all federal food plants have to have federal veterinaries and if that is not the case they cannot slaughter meat under our inspection. Positions are being filled from time to time. I am not in a position to say whether or not they are all filled at this time but I will check.

[*Translation*]

Mr. Laprise: Mr. Speaker, as a supplementary question, I would like to ask the minister if he can make an inquiry to determine whether there are no vacancies at all and whether inspectors are not given unusual responsibilities which should be left only to veterinaries.

[*English*]

Mr. Whelan: Mr. Speaker, in view of problems which existed some time ago in the province of Quebec in regard to meat inspection, which was not under jurisdiction, there has been a large number of requests for federal meat inspectors. They recognize we offer a superior service to anything they have and they want our service in Quebec. We are trying to provide it as fast as we can.

Oral Questions

COMMUNICATIONS

POSSIBILITY OF GENERAL INQUIRY INTO PUBLIC BROADCASTING—GOVERNMENT POSITION

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. On March 4 the Prime Minister, at the instigation of the Minister of State for Urban Affairs, wrote to the chairman of the CRTC. In that letter the Prime Minister asked Mr. Boyle to consider the establishment of a royal commission for a general review of public broadcasting services. As I understand it, Mr. Boyle will submit his recommendations on the royal commission when he completes his inquiry into the CBC in July. However, last night the Secretary of State endorsed a wide ranging inquiry into public broadcasting. In light of the remarks of the minister, could I ask the Prime Minister whether the government is now committed to a general inquiry into public broadcasting, or will the government wait for the recommendations it sought from Mr. Boyle before making a final decision?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, I should not like to give credence to the preamble to the question, which was to the effect that this letter to Mr. Boyle was sent at the instigation or at the demand of the Minister of State for Urban Affairs. It was a cabinet decision, including my own, to write that letter. In precise answer to the question, no, a decision has not been made as to the need for a royal commission. Yes, we will wait until Mr. Boyle's report comes to us before making such decision. Indeed, the fact that those final lines were in my letter to Mr. Boyle is an indication that the matter was raised in cabinet and that some ministers, including I believe the Secretary of State, argued that this might be a necessity. I felt that if indeed it were a necessity we should wait to hear the opinion of Commissioner Boyle, and that is what we will do.

Mr. Clark: A supplementary question, Mr. Speaker. Since the matter has been before cabinet and has led to the letter to Mr. Boyle, I wonder whether it is the view of the government that any inquiry that might be undertaken into broadcasting in this country should be undertaken by a regulatory agency, such as the CRTC, or is it the view of the government that an inquiry of that kind should be made by an independent body which could look into the regulatory agencies as well as into other questions relating to broadcasting, communications and cultural policy?

Mr. Trudeau: Mr. Speaker, the government has not yet made a decision on that, but offhand my inclination would be to indicate that it should be by an independent body, preferably a royal commission kind of body. But this is the very kind of recommendation or suggestion which we may be hearing about from Commissioner Boyle.

Mr. Clark: A final supplementary question, Mr. Speaker. Since the request to the chairman of the CRTC was limited to broadcasting policy, I wonder whether it might also be the inclination of the Prime Minister or the government to have such inquiry made sufficiently broad that it could consider the general cultural policies and programs of the government of Canada, since it has now been a quarter of a century or more since the report and implementation of the Massey commission proposals?

Mr. Trudeau: Mr. Speaker, I will certainly give serious consideration to that suggestion. It might make it a more difficult and lengthy task to try to include the question of cultural broadcasting. The hon. Leader of the Opposition will remember we had the Massey-Lévesque Commission on culture and we had various other commissions, including the Fowler Commission on Broadcasting. The future course might be to follow this double route or indeed join them. I will have to take the matter into consideration.

* * *

● (1450)

URBAN AFFAIRS

SUGGESTED RESUBMISSION OF APPLICATIONS FOR DEMONSTRATION PROJECTS

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I would have liked to ask my question of the Minister of State for Urban Affairs; but instead I will direct my question to the Minister of Justice who seems to have been working in close co-operation with the Minister of State for Urban Affairs recently. Now that the Minister of Justice has revived the concept of the urban demonstration program in order to finance certain projects in Vancouver, which had apparently been considered for urban demonstration, has he invited, along with the Minister of State for Urban Affairs, other municipalities to resubmit the more than 200 applications which were returned to them on the collapse of the urban demonstration program?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I think that question lies within the administrative responsibilities of the Minister of State for Urban Affairs.

An hon. Member: The six million dollar man.

Mr. Baker (Grenville-Carleton): That is known as bionic patronage.

* * *

EXTERNAL AFFAIRS

PROPOSAL IDI AMIN BE BANNED FROM COMMONWEALTH GAMES—GOVERNMENT POSITION

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Secretary of State for External Affairs. In his absence last Thursday, I asked the government House leader whether the government intended to ban Idi Amin from attending the Commonwealth Games, which will be held in Edmonton in 1978. Last week a 170-page report of the Inter-

national Commission of Jurists, stating that more than 100,000 people in Uganda have been killed during the six years of Idi Amin's administration, was handed to the United Nations. Ambassador Beaulne told the Standing Committee on External Affairs and National Defence last week that this report, filed by the International Commission of Jurists, was beyond reproach. Therefore, I now ask the Secretary of State for External Affairs if he will give this House an unequivocal statement, that the government of Canada will not invite or accept the presence of Idi Amin at the Commonwealth Games in Edmonton in 1978?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I have no problem indicating, in so far as I am personally concerned, that I would be just as happy if the gentleman in question were not invited.

Mr. Hnatyshyn: He is a member of the basketball team.

Mr. Jamieson: I am not sure if the inviting capacity rests with the government of Canada or with the Commonwealth organization. I will look into it in more detail and find out what our responsibilities are. I think our objectives are common. It is just a matter of finding out which is the best way to proceed.

* * *

SPORTS

SUGGESTED INTRODUCTION OF LEGISLATION TO COMPEL PROFESSIONAL LEAGUES TO CONTRIBUTE TO DEVELOPMENT OF TALENT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Minister of State (Fitness and Amateur Sport). May I first compliment the minister on her worth-while report and recommendations, based on her recent trip abroad?

Some hon. Members: Hear, hear!

Mr. Jelinek: My question is further to my motion put yesterday regarding the government's admitted inability to solve the problems dealing with development fees between professional and amateur hockey interests. In view of the fact it now seems certain this matter will end up in the courts, I wonder if the minister would consider introducing legislation which would make it obligatory for all professional teams, leagues or shows to contribute fairly toward the development of their respective sports which would, among other things, reduce increasing costs to the taxpayer in this regard? If the minister is not prepared to consider such a proposal, could she explain to us why not?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I have no intention of introducing such legislation on this matter at this time because progress is still continuing. The hon. member seems not to have taken notice of the fact that progress was made through the mediator, the President of Hockey Canada, in whom I have confidence. There is a disposition, on the part of the National Hockey League, to provide the type of services which the hon. member is requesting. Thus, I do not intend to provide legislation at this time.

* * *

AGRICULTURE

REASON FOR DELAY IN ESTABLISHING CHICKEN MARKETING BOARD

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Agriculture. On Tuesday, in response to my colleague from Elgin, the minister stated that no decision had yet been made on the formation of a national chicken marketing agency but that he expected a decision would be announced shortly. May I ask the minister, now that another cabinet meeting has come and gone, whether he is now prepared to announce the formation of a national chicken marketing agency, and if not, why has he met with such little success in getting the central part of his agricultural policy past the cabinet?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I hope the hon. member is speaking with authority from his party and is presenting his party's position on marketing boards. He totally endorses the principle of marketing boards, and he is expressing the concerns of the total party caucus.

Mr. Hnatyshyn: Answer the question.

Mr. Whelan: The private producers themselves are partly at fault. They did not go through the system as they were supposed to do. They went ahead with hearings; they came up with an unsatisfactory plan; they went ahead with other hearings, and now it is our fault that we are not moving that fast. The other day I said to the hon. member that it would be soon, and it will be soon.

* * *

CONSUMER AFFAIRS

MINISTER'S POSITION ON ESTABLISHMENT OF CHICKEN MARKETING BOARD

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my supplementary question is directed to the Minister of Consumer and Corporate Affairs, who is also directly involved in this issue. Does the Minister of Consumer and Corporate Affairs support the formation of a national chicken marketing agency?

Mr. Baker (Grenville-Carleton): He is a chicken, too.

Mr. Paproski: He is a turkey.

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, the matter is still to come up for discussion.

* * *

HEALTH

POSSIBILITY OF CONTROLLING USE OF TOBACCO

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the known dangers of smoking to health, is the minister considering the possibility of controlling tobacco under the Food and Drugs Act?

Hon. Marc Lalonde (Minister of National Health and Welfare): Not at this time, Mr. Speaker.

* * *

CRIMINAL CODE

PROPOSED REVIEW OF PROVISION COVERING SEARCH FOR RESTRICTED WEAPONS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is for the Minister of Justice. It arises out of the murder of one police officer and the wounding of another in the city of Calgary, and is with reference to section 103 of Martin's Annual Criminal Code (1976) under which police officers stop the person in question and find the person in possession of a restricted weapon as defined by the Code. The police officer who was killed was shot through the head. I would ask the Minister of Justice to seriously review section 103 in reference to the right of a peace officer to search certain people. As he is aware, the section reads:

> Whenever a peace officer believes on reasonable grounds that an offence is being committed or has been committed against any of the provisions of this Act relating to prohibited weapons or restricted weapons . . .

I would like the Minister of Justice to review that, in light of the fact that police officers can be criticized for making illegal searches and yet are subject to situations similar to the one which led to the murder of this police officer, who was the third police officer in two years to be murdered in Calgary.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I am unfamiliar with the particular case to which the hon. member refers. However, I am familiar with the provision of the law to which he is referring, which has caused both peace officers and police officers considerable difficulty when faced with situations of imminent danger or imminent hazard. I think the suggestions he makes have been corrected in the proposals now before the House in Bill C-51, relating to the amendments to the Criminal Code and gun control and specifically relating to the provisions on search and seizure of weapons and firearms. However, in light of the question, I think both he and I will examine those provisions in Bill C-51 very carefully when it reaches committee, hopefully next week.

[Mr. Paproski.]

CANADIAN EXPORT DEVELOPMENT CORPORATION

REASON FOR REFUSAL TO CONFIRM TRANSAIR AS PRIME BIDDER FOR UNITED STATES AIR FORCE CONTRACT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce, I will direct my question to the Minister of Transport. Transair in Winnipeg has made a bid for a contract with the United States Air Force to overhaul 97 Boeing 707 tankers over a three-year period. The work would entail modifying the wing structures. But, Transair has been discouraged by the Canadian Export Development Corporation which will not give written confirmation that Transair is the prime bidder for the $42 million Air Force contract. Transair cannot bid until they have this written confirmation. I would like to ask the minister if he would make immediate inquiries of CEDC as to why they will not give written confirmation to Transair in Winnipeg?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, essentially my understanding from conversations with Transair is that the difficulty which had existed in connection with this bid, which may have prevented the bid from being successful, will not be repeated in the course of successive bids.

Mr. McKenzie: Mr. Speaker, do I understand the minister to say that Transair is still in a position to submit a bid? They are ready to go because of their $5 million line of credit. This is a tremendously important contract to Canada, as it will involve 500 jobs over the next three years and possible future contracts.

Mr. Lang: Mr. Speaker, my understanding is that there may not be a possibility of a bid in relation to those particular aircraft, but there are many hundreds of others which will be coming along.

* * *

● (1500)

PRIVILEGE

MR. CROSBIE—TERRA NOVA GOLF COURSE—RULING BY MR. SPEAKER

Mr. Speaker: Yesterday the hon. member for St. John's West (Mr. Crosbie) put forward a question of privilege with reference to remarks made by the hon. member for Nickel Belt (Mr. Rodriguez) during the course of the question period. I indicated initially that the remarks pertained to persons who were not members of the House and that, indeed, their competence in the administrative sense was beyond the parameters of the House and that we were on dangerous ground.

As the argument developed, in the course of contributions to the argument, discussion and subsequent points of order, both hon. members made remarks about the contributions of each other. Each one indicated that actions or remarks by the other fell into certain categories which they described in language which has in the past been included in the definition of

unparliamentary language or offensive language within the practice of the House, and on occasion in the past has been ordered withdrawn. However, I indicated, as I usually do, that in the circumstances I would examine the transcript and see exactly what was said and determine whether unparliamentary language had been used to such an extent that I would ask for an apology or a retraction of the remarks made.

The fact is that upon examination of the transcript and of the precedents that have governed this kind of conduct in the past, I have come to the conclusion that if I were to apply the regulations and the precedents strictly, I would have to ask both hon. members to withdraw their remarks about each other. That does not seem to me to be a very productive course of action. As I indicated yesterday, we are on dangerous ground as soon as we begin to introduce into our discussion items of business which are extraneous to our responsibilities here. Therefore, I feel that the matter should be closed at this point.

[*Translation*]

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I rise on a question of privilege.

I shall be very brief. I rise on a question of privilege today because I feel that my rights and privileges were not respected by a Crown corporation, namely the Canadian National. Let me explain myself.

Last Friday, May 20, I took the CN train for Montreal at 4.30 p.m. I was sitting with the son-in-law and daughter of the hon. member for Shefford (Mr. Rondeau), and behind me sat the hon. member for Lachine-Lakeshore (Mr. Blaker), all of whom can bear witness to the following facts. When the train controller went by asking for tickets as usual, I showed him my MP identification card with a photo of myself instead of the official green card issued to MPs bearing the signature of the clerk of the House of Commons which according to the law entitles all hon. members to travel free of charge on all railways in Canada. On that official card one can read that, under the law, the hon. member can travel on all trains in Canada. That card certifies only that I am a member of parliament. Yet, my MP identification card also testifies to the fact that I am a member of parliament. The controller refused to accept my official MP card and unfortunately a heated argument ensued. There were other people around which of course annoyed me tremendously. The controller insisted on my buying a ticket, which I refused to do. In addition, Mr. Speaker, I made an attempt to speak English to him—and this I say without wanting to discriminate against anyone—because he did not speak a word of French. It is only later that he called for the help of a French-speaking colleague of his.

In a word, therefore, I feel frustrated in a right conferred upon me under legislation as regards travel by train and furthermore this controller did not speak French, whereas the Official Languages Act states that all services provided by government agencies must be offered in the citizen's language. I hardly think the train would get off the track should someone aboard speak French.

Sometime ago, Mr. Speaker, I happened to be travelling along with the hon. member for Maisonneuve-Rosemont (Mr. Joyal). He did not have this green pass and yet he identified himself with the same card as I and nothing happened. Everything was in order. I have checked with Mr. Smith of the Canadian National who was in a way very negative in his answer. I have also contacted the Clerk of the House who told me I was right to present this card. Therefore, I ask the Minister of Transport (Mr. Lang) to solve this problem concerning the Montreal-Ottawa or Ottawa-Montreal line and in addition I want the Canadian National authorities to make formal apologies in order to mitigate the prejudice that was done to me under those circumstances without, however, taking any corrective action against this controller. I had to draw the House's attention to this unfortunate incident which could happen to any one of us in this Chamber and I think it is important that we may avail ourselves of our privileges on those trains which are run by a Crown agency.

Mr. Speaker: The hon. member has not put forward a motion along with his question of privilege, but he raised a very important and serious matter. His question relates, first of all, to a member of Parliament's privilege to travel on a train with an identification card, even if it is not precisely the pass which entitles him to travel free on the train. Second, the hon. member draws our attention to the fact that there is no staff member, no bilingual controller, who can speak French or communicate in either of the two official languages on a train run by a Crown corporation. Those are important issues. I will inquire into the circumstances.

I understand very well that the hon. member has not put forward a motion relating to his question of privilege, but I can assure him that I will consider this matter which is of primary importance.

[*English*]

Mr. Brisco: Mr. Speaker, I rise on a point of order. I recognize the fact that during the question period questions addressed to ministers do not necessarily have to be answered, particularly, as Your Honour points out, when they are of an argumentative nature or when a representation is made. I asked a supplementary question of the Minister of Supply and Services, a straightforward question requiring a simple "yes" or "no" answer. I asked whether, in light of the statistics quoted by my colleague, the hon. member for Egmont, and the statistics quoted by me, the minister was prepared to give assurances to the House that his department would address itself to the restoration or removal of the inequities that evidently and obviously exist.

I simply sought from the minister his assurance that he would make every effort to remove these inequities. The minister, during my supplementary question, removed his earpiece. Perhaps I failed to identify him as the person to whom my supplementary was directed. In any event, because of the remarks I have made to you at this time, Mr. Speaker, I wonder if the minister would now be prepared to respond.

Mr. Speaker: Even if the minister were prepared to respond at this time, it seems to me that by the use of a point of order

to elicit a response we would be not only giving the hon. member for Kootenay West a special privilege, which would perhaps not be too serious if it happened this time only, but it would concern me were it to be an implicit invitation to hon. members to use a similar point of order when they were in any way dissatisfied with the performance or answer of a minister during the question period. I thought the hon. member made a clear and precise representation to the minister, and I think we have all treated it as such. Even if the minister now wanted to give a further answer to the hon. member, it would be unfair to extend to the hon. member or to the minister that privilege at this time.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, I should like to ask the acting government House leader the government's business for the balance of the week. While he is on his feet, would he be able to designate Monday, May 30, 1977, and Wednesday, June 1, 1977, as allotted days in accordance with some discussions we have had?

Mr. Goodale: Our business for today is an opposition motion. Tomorrow we will resume consideration of Bill C-17 relating to Air Canada. I will be pleased to make the designation of the allotted days which the House leader has recommended; that is, Monday, May 30, and Wednesday, June 1. On Tuesday of next week it is our intention to resume debate on the Air Canada legislation if it is not completed before that time, and then we will proceed to legislation dealing with the Economic Development Corporation, Bill C-47, followed by, subject perhaps to review at the beginning of next week, the Judges Act, Bill C-50, and the human rights legislation, Bill C-25.

● (1510)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I realize it is a technical point of order and I do not wish to downgrade the hon. member, but does not that designation have to be requested by a minister of the Crown?

Mr. Speaker: That designation can be taken care of, perhaps, when we deal with motions.

Mr. Baker (Grenville-Carleton): I did not want to be screwed up by that technicality.

[Mr. Brisco.]

ROUTINE PROCEEDINGS

[*English*]

ENERGY

TABLING OF ENERGY BOARD REPORT "CANADIAN OIL SUPPLY AND REQUIREMENTS"

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, under Standing Order 41(2) I would like to table, in both official languages, the report issued by the National Energy Board, dated February, 1977, entitled "Canadian Oil Supply and Requirements".

* * *

FISHERIES

TABLING OF 1976 ANNUAL REPORT OF FISHERIES RESEARCH BOARD

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, under the provisions of Standing Order 41(2) I wish to table, in both official languages, the annual report of the Fisheries Research Board of Canada for the year 1976.

* * *

BUSINESS OF THE HOUSE

DESIGNATION OF OPPOSITION DAYS

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I would like to designate Monday, May 30, and Wednesday, June 1, as allotted days.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand today.

Mr. Beatty: Mr. Speaker, I rise on a point of order. This is the second straight day on which the parliamentary secretary has not answered any questions on the order paper. I would like to bring to his attention the fact that I have 14 questions on the order paper dating back to October and November of last year. Some of those questions dated October were first placed on the order paper in the first session of this parliament.

Mr. Goodale: Cossitt wouldn't let us answer them.

Mr. Beatty: I refiled the questions which were on the order paper prior to the summer recess. I filed them in exactly the same form, but I dated them in such a way that it would be possible for any answers which were valid for the questions I filed in the previous session to be answered in exactly the same

form in which they were prepared. I cannot understand, for the life of me, why, for example, a question I asked about the cost to taxpayers of a visit to London, Ontario, by the previous secretary of state last July has not as yet been answered. Since then there has been a cabinet shuffle, and we have a new Secretary State, I think if the parliamentary secretary wants to do his job properly he should try to ensure that questions which have been outstanding for some months receive priority.

Some hon. Members: Shame.

Mr. Goodale: Mr. Speaker, hon. members opposite may not have been keeping track of the progress of business in this House, but it is interesting to note that for the past several weeks the rate of answering questions in this House has been running well in excess of 70 per cent. That percentage rate has dropped back only in the last couple of days because hon. gentlemen who are particularly prone to place extensive lists of questions on the order paper, one in particular, have added as many as 60 or 70 questions. I think it is relevant to point out that we have been prompt in answering questions in this session, and I can assure hon. members that there is no effort at all to delay the answer to any particular question which should be forthcoming.

Mr. Crosbie: Mr. Speaker, I rise on the same point of order. I asked question No. 1,397 on December 17. I have only 19 questions on the order paper. I have not tabled hundreds. My question has to do with the Secretary of State for External Affairs and his visits to St. John's, Newfoundland, over six weeks last fall during a certain strategic period. I want to know whether the cost of those visits was charged to the Liberal candidate who ran against me. That question is a very simple one. The answer can be ascertained in half an hour or an hour.

On February 15 I asked several questions having to do with the Canadian Radio-Television and Telecommunications Commission and with the Secretary of State for External Affairs. That question was placed on the order paper almost 100 days ago, and it has still not been answered. There is to be a CRTC hearing in St. John's on June 21 dealing with questions which will be relevant. I want the parliamentary secretary to get me the answers to those questions. I do not table questions lightly, and those answers are not hard to find. I want to know what representations have been made by the Secretary of State for External Affairs to the CRTC in connection with matters affecting the Newfoundland Broadcasting Company in Newfoundland, and I want to know before shares are transferred, before the CRTC approves transfers of shares or before conflict of interest questions come up.

I am asking the parliamentary secretary, as politely as I can, and I advise him not to be a pseudologist but to get on with the job and to answer some of these questions.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—GRAIN HANDLING AND TRANSPORTATION

Right Hon. J. G. Diefenbaker (Prince Albert) moved:

That this House agrees in principle with the recommendations of the Hall Commission on Grain Handling and Transportation.

He said: Mr. Speaker . . .

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I am always pleased to hear applause from the government side of the House, particularly from ministers of the Crown. I think it was Walpole who said, "They ring bells now, but they wring hands later".

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Speaking on this resolution, I cannot cover very much ground because of the limitation of time. I will simply begin by referring to one or two highlights of the Hall report. One of them is the question of abandonment, and I say immediately that as far as that is concerned, having examined some of the representations made, I hope that in areas on the prairies which have been pioneer settlements, the removal of the rails from those areas and the creation of desert towns and villages will be proceeded with carefully. I will deal with the construction of an Arctic railway a little later.

The Hall Commission report recommends the retention of the Crowsnest, or statutory rates for hauling grain, with the difference between those rates and the actual cost of transporting grain to be paid directly to the railways by the federal government. The report recommends assistance for Churchill, it suggests changes in connection with freight rates and recommends the use of CPR facilities in order to increase the amount of wheat shipped that way. Those references are general.

As far as the Hall commission is concerned, it constituted a blow to the solar plexus of the government, if not lower, and some of the observations made by the Minister of Transport (Mr. Lang), subsequently diluted in order to meet the exigencies of criticism, indicated that he was greatly surprised at the nature thereof. Indeed, it reminded me of an occasion in earlier days when there were Progressive members from western Canada—"Progressive" being the name of the party—and Prime Minister King had promised a degree of free trade never before seen or felt. One member was greatly exercised over the fact that there was no inclusion of any free trade items and, being a man of classical knowledge and wisdom, said, "Mr. Speaker, when Pandora's box was opened, out stepped the Trojan horse." In this case, as far as the government is concerned and judging from the reaction of the Minister of Transport, there are several Trojan horses in the Hall Commission report. It is a remarkable document. I am glad to say it was my recommendation that made Mr. Hall a Superior

Court judge and at the same time set him up as a commissioner of repute.

● (1520)

Some hon. Members: Hear, hear!

Mr. Diefenbaker: What does the report do? It buries the government's concept of the user-pay philosophy of the minister. User-pay, presented by the minister as a rationalization of transportation services, was little more than a transparent attempt, in the opinion of many, to reduce the benefit to farmers of western Canada under the Crowsnest pass rates.

It is with these matters that I am going to deal at some length. I am very happy to see here today, following a crusade to the Pelly constituency where a by-election is going on and where drought has not affected the area, the new Minister without Portfolio (Mr. Horner). I am happy to see him here. Then there is the Minister of Transport. I understand he is in charge of political organization there, which leads everyone to hope that the Liberals will come in third.

As far as the royal commission report is concerned, covering as it does only the western provinces and the north, I think a commission should be set up now to do justice to the maritimes and to go into the whole problem of transportation, freight rates, etc. Otherwise, the provinces by the sea will continue to be denied, as they have been under this government, a reasonable degree of economic equality.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: One of those who has constantly pressed for action in this regard is the hon. member for Cumberland-Colchester North (Mr. Coates). During my period of administration as prime minister tremendous changes took place in the maritimes. I recall some of the approbation given to what we did by the Minister without Portfolio before he occupied that distinguished portfolio.

Now, sir, I shall immediately start on the subject of the Crowsnest pass report. I am glad to see the hon. member for Assiniboia (Mr. Goodale) here. A moment ago I thought he was going into flight. He put his arms out like the beginning of a flight into fancy when he endeavoured to explain the delays in answering questions which has become virtually beyond anything that has ever been seen in this House.

Some hon. Members: Shame.

Mr. Diefenbaker: I find him an interesting individual, Mr. Speaker. He sits by his mentor and philosopher today, and he is being misled. I find it very interesting that he has become the "No, no" man of parliament. There he sits; he does not hear what the motions are that come before the House under Standing Order 43, but he invariably says "No".

Mr. Goodale: I listen very carefully.

Mr. Diefenbaker: I have some very good examples in regard to which he has been identified. I have watched him with that interest one applies to an individual who apparently does not want to speak out loudly but simply says very low, *sotto voce*, "No".

Mr. Goodale: But very effectively.

Mr. Diefenbaker: I suggest if he is getting his training from the Minister of Transport as to parliament, he ought to change his mentor. On May 18 the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) moved the following motion under Standing Order 43:

> That in view of the statement made on national television yesterday by a member of the federal cabinet that the cabinet should accept the recommendation of the Hall commission in connection with the retention of the statutory Crowsnest pass rates, this House direct the Prime Minister to make a statement on motions forthwith outlining the government's commitment to this recommendation of the Hall commission.

What was wrong with that motion, Mr. Speaker? Why did the hon. member for Assiniboia say "no"?

Mr. Goodale: Did I?

Mr. Diefenbaker: Mr. Speaker, the hon. member is from a Saskatchewan constituency which depends on agriculture to a considerable degree: "No, no, no" has been his attitude throughout.

Mr. Goodale: It does not say that in the record.

Mr. Diefenbaker: It is very obvious that I have penetrated the epidermis of the hon. gentleman. The truth hurts. Now I go on to the next one.

Mr. Goodale: Your fantasy is amazing.

Mr. Diefenbaker: Does the hon. gentleman know anything about the truth, if he denies this? On May 17, the hon. member for Saskatoon-Biggar moved:

> That this House commend the Hon. Emmett Hall for the work he has done and the recommendations he has made for retention of the Crowsnest pass rates—
>
> MR. SPEAKER: Order, please. Pursuant to Standing Order 43 such motion can be presented for debate in the House only with unanimous consent. Is there unanimous consent?
>
> SOME HON. MEMBERS; Agreed.
>
> SOME HON. MEMBERS: No.
>
> MR. PAPROSKI: Ralph Goodale said no.

Mr. Paproski: And he did.

Some hon. Members: Hear, hear!

Mr. Lang: Mr. Speaker—

The Acting Speaker (Mr. Ethier): Order, please. Is the hon. minister seeking the floor on a point of order?

Mr. Lang: Yes, Mr. Speaker, on a point of order I think the record should show that Mr. Paproski, thus named, is notorious in this House for saying someone said "No" very frequently when it is totally false to say so.

Mr. Diefenbaker: That is exactly the type of credibility that the minister regularly exhibits, totally disregarding the truth.

Did the minister step in and say that Mr. Paproski, as he is described here, was wrong?

Mr. Lang: He is always wrong.

Mr. Diefenbaker: "No, no, no". I say to the hon. member for Assiniboia, when he makes statements to the effect that he did not say "No", I wonder how "Yes" is pronounced. I must say, however, that he does not discriminate between Her Majesty's Loyal Opposition and the New Democratic Party. On the same day, May 17, the hon. member for Regina-Lake Centre (Mr. Benjamin) moved a motion under Standing Order 43. He moved, in part:

—in regard to the report of the Hall commission tabled in this House yesterday which contains a recommendation that the statutory grain rates be retained . . . I would move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House calls upon the government to immediately implement the recommendation of the Hall commission on Statutory rates.

Then follows the familiar entry.

MR. PAPROSKI: Ralph Goodale again said "No".

I want the hon. member's constituents to know what his attitude is in parliament. He has become the puppet of the Minister of Transport. There are other examples, and if he would like to hear them I would be glad to indicate them to him. No matter what comes up that would be of benefit to agriculture in Canada, the hon. member says "No".

Mr. Goodale: Nonsense.

Some hon. Members: Shame.

● (1530)

Mr. Diefenbaker: I suggest it would be simpler if he installed a gramophone in this House saying "No, no, no", and save his larynx. I have watched him day after day. He is an intelligent fellow, as you must admit. But he shows little intelligence when he prevents the House of Commons discussing questions of prime importance to western farmers. I have said over and over again that this government opposes the Crowsnest rates. The minister denies this, in an uncertain way. Let me read some of his observations, equivocations, qualifications and the like. On May 18 he was asked a question in the House concerning this matter. He replied, as reported at page 5758 of *Hansard*:

—my initial reaction . . . is very favourable indeed. It seems to me to make a good deal of sense and to have a great deal of potential . . . While some people raised an idea like that in various discussions before the Hall commission report, it does not really come upon the prairies as a new idea in its totality—

That is a good word, "totality". I continue:

—and I would like to hear from the representatives of farm organizations—

Time and again the minister has played havoc with those who have endeavoured to stand in support of the Crowsnest rates. I remember when Conservatives opposed them. In the election of 1925 Right Hon. Arthur Meighen said freight rates should not be fixed by statute. I took strong objection. He was defeated. The Liberal party said that the magna carta of the western farmer could not be changed without creating serious fissures in confederation. I go on quoting from *Hansard*. On page 5759 the following exchange is reported:

MR. WOOLLIAMS: Mr. Speaker, I have one further supplementary question. How does the minister reconcile his first answer with his answer to my second question, because it is a complete distortion of the facts?

MR. LANG: No it is not, Mr. Speaker. I indicated quite clearly that I have no policy which would affect the Crowsnest rate . . . What I said in my second answer is that I have been discussing this with people in the west, and I am certainly receptive to conclusions in the west that some different form of distributing the benefit may in fact be advantageous to the west.

There are loopholes large enough in the minister's position for—

An hon. Member: A horse and wagon?

Mr. Diefenbaker: —an aircraft to go through. All the way along the minister has been playing with facts and endeavouring to lead people to think he has taken a stand not against those particular rates. One could go on almost indefinitely in this regard. If the minister denies it, I call as a witness one whom, ever since he was a little boy, the minister regarded as a friend. I refer to the Minister without Portfolio.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: He was younger on September 1, 1966, when he said, as reported at page 7997 of *Hansard*: "It appears that the government wants to ruin the Crowsnest pass rates." That was an interesting and obvious observation.

Mr. Paproski: Oh, Jack!

Mr. Diefenbaker: I do not want to be unfair, but I call the Minister without Portfolio as my chief witness. When the credibility of the Minister of Transport comes into question, I am prepared to accept his views. I now quote a report carried in the *Globe and Mail* of November 27, 1976, as follows:

Mr. Horner accused Mr. Lang of "careless disregard of the public trust as Minister of Transport."

Has there been any reformation? Has the minister changed? Is he a chameleon? I could quote further passages. Has the minister without transport—

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, that was a *lapsus linguae*, but most prophetic. You should have seen the Minister of Transport as I saw him here in all his attractiveness and sartorial perfection. But I never saw the minister look more disturbed than when the Minister without Portfolio crossed to that side of the House. He has recovered now. They are getting together. Nonetheless, as the Ukrainian proverb says, "What is written cannot be drawn out, not even by a team of horses".

An hon. Member: Isn't it Polish?

Mr. Diefenbaker: The Minister without Portfolio said the Canadian dollar had slipped below the level of the United States dollar because the Liberal government had deliberately held interest rates four percentage points above those in the

United States. They are still higher now. Who changed—the minister or the government? He went on to make one of his kinder statements, saying the government is guilty of gross mismanagement of the economy. High unemployment rates in central and eastern Canada are proof of government bungling. He is reported to have said that in November last, and conditions are worse now. I look forward to the explanation of the Minister without Portfolio. I understand he intends to speak. I hope I can stay, although I must leave by an early flight. I do not have the same facilities as the Minister of Transport.

I could go on. I do not intend to say anything of a critical nature. What did the Minister of Transport say when the Hall Commission report came out? The Saskatoon *Star-Phoenix* called it a sensible report. That newspaper has always shown a high regard for the minister. In its issue of Wednesday, May 18, it said this:

> In fact, so far it is the singular exclusion of the Minister of Transport from the collective endorsement that inspires speculation on the future of the Hall report.

Why was the minister silent? He is not noted for his silence. He has an unusual capacity for language and articulation, but remained silent. The editorial goes on to say:

> Surely Ottawa will notice a golden opportunity to make friends in the west, and thereby strengthen the unity of Canada.
>
> The Hall report's lack of equivocation on the statutory Crowsnest pass freight rates, and the recommendation to extend them to processed grain products and livestock has settled fears once raised by Mr. Lang with his calls for reassessment.

He raised this in the House the other day. I have already read that portion which says, "We have to look into the cost." Did he look into the cost when his aircraft ran up a $750,000 bill in three years? Did he consider cost then? Mr. Speaker, there is no greater repentance than that of the unrepentant. Has the minister changed? I await his answer. But everywhere one notes the same equivocation in which he indulged the other day in this House. He went on to say he had been misreported—everybody out of step but the hon. gentleman—in the Saskatoon *Star-Phoenix* by Canadian Press. I heard the minister over the radio. Despite any difficulties I might have with hearing, it was very clear he was equivocating about this question, at the same time saying that anyone who contends he is against the rates is not telling the truth. However, he did not say he was for them clearly, definitely and finally. It was always subject to equivocation.

● (1540)

I have high regard for the minister. I remember at one time I criticized him. I asked, "What does he know about marketing wheat?" I was right. Today we have 750 million bushels piled up higher than the pyramids that existed when we came into power in 1957. Outside the House the minister made the statement, "Apparently the right hon. member does not know I was born on a farm, almost in the centre of a wheat field." I would point out to him that so were gophers.

Some hon. Members: Hear, hear!

[Mr. Diefenbaker.]

Mr. Diefenbaker: We do not want any more equivocation. We want a definite, clear and undiluted statement that there is going to be no tinkering with the Crowsnest pass rates. That is all we ask for.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I do know why the minister decided to bring about this "at and east" rate. It would have cost the western farmer six cents a bushel more to transport his wheat at Atlantic ports. Why would you expect a minister representing the province of Saskatchewan to be in favour of that? He stood; he fought; he said, "This rock shall move as soon as I." The Conservative party also stood; they fought, and they got a withdrawal. The hon. member for Vegreville (Mr. Mazankowski) fought on and on.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Finally, the minister capitulated. Why did he want to bring in new freight rates for the Welland canal, again hooking the western farmer? He thought he could do it unilaterally. However, the United States made it perfectly clear to him they would not stand for that. The only thing that saved the western farmer from that extra tariff, and that is what I call it, on western production was the fact that the United States refused to follow. It decided it would give further consideration to the matter. I have covered this matter as succinctly as I can. I simply ask the minister to stand and say, "All my past is forgotten. I am for the Crowsnest pass rates now, without evasion, equivocation or mental reservation whatever." When he does that, I will believe him, because he will not be able to do anything else if he gives that undertaking.

We now come to another matter. The Hall commission rather disturbed the government in connection with its recommendation of a railroad into the north. I have been dealing with that matter for several years. I am not going to quote what I have said on previous occasions. On February 24, 1973, I dealt at length with the benefits that would flow from a railroad built into the north. Beside opening the north, it would deny all those dangers that follow the building of a pipeline. It would create employment for thousands of Canadians.

The Hall commission described the plan it had in mind for opening the north as the "northern dream". I remember when I uttered the expression of the "northern dream". It was ridiculed by the Liberal party. Then when it turned out all right, those who condemned it became its projectors. They laughed at the idea of a railroad to Great Slave Lake and Pine Point. They said it would be two streaks of rust and a roadbed going nowhere. Mr. Pearson said the Conservatives were going to build highways and railways from igloo to igloo. That shows how up to date the Liberal party was, because they said the same thing in 1873 when Macdonald had his dream—only then they said "from wigwam to wigwam". The philosophy is still there.

I raised this question the other day. Somebody in the press said I must have known in advance that it would be in the Hall

report. I had no indication, but I knew the report was coming in so I raised the question in the House. I endeavoured to bring the matter before the House in a motion on May 10, and I quote:

In view of the strong views expressed by the hon. Mr. Justice Berger in connection with a gas pipeline from the Yukon and that a railroad was commended and approved by the Canadian Institute of Guided Ground Transport in 1972 following an engineering, economic and environmental feasibility study of a railroad to carry Arctic oil and liquefied natural gas to markets in central Canada, and as the institute agreed with an earlier preliminary analysis which concluded that a railway is technically and operationally feasible and appeared to be financially attractive, with unanimous consent of the House, I would move:

That a committee of the House be set up to examine this question without delay, as the conclusion of the Canadian Institute was that 360 locomotive units and 11,000 tank cars of 94 ton capacity with 20 trains per day could move the necessary requirements of oil and gas.

Furthermore, having regard to the unemployment situation, the report agreed that such a railroad would require 5,000 workers to build over a 5½ year period, and it would employ, on completion, some 4,600 people in the Yukon and Northwest Territories, and there would be very little disruption to the environment.

You, Mr. Speaker, asked whether there was unanimous consent, and that voice which went unrecognized said "No." Why? What was the reason for that? All I have to say in that regard is that this parliament is being emasculated by the kind of thing that we witness here day after day. Regardless of whether a motion is in keeping with the kind of Canada we want to bring about, that silent "No" denies parliament the right to speak.

Some hon. Members: Shame.

Mr. Diefenbaker: I raised this in the House of Commons many years ago. On March 20, 1973, I went into full detail. I felt it deserved consideration. I asked the minister about it in the House the other day. The Minister of the Environment (Mr. LeBlanc) who is lost in his environment, said, "We cannot do it." Mr. Speaker, were all those scientists and leaders in the universities, and technical individuals who comprise the Queen's University group, nincompoops and nonentities? That is the way they were treated by the minister. "You cannot do it", he said. "It would be dangerous to the environment". When I questioned him further, he said, "Well, I take the advice of my experts". I should like to hear those experts. He went on to say, "I seek out the best information on the environment I can get". All I can say is, he does not understand it. If he would reflect on his figures concerning the numbers of trains per day which would be needed he would see that his figures are not inconsistent with mine: they are just double what mine were—and mine were authentic.

● (1550)

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Much would depend, the minister said, on how many cars there were in each train. Now, there's a thought. That takes unusual perception. It would depend on the number of cars. He was not wrong there. Clearly, he recognized that trains going at 60 or 70 miles an hour every hour and twenty minutes are likely to pose a greater environmental hazard in the north than "a quiet, subterranean pipeline". Quiet, yes. But destructive of the environment and of the rights of our native people throughout the north. He went on to say:

I can assure the right hon. gentleman we took this consideration seriously. We looked at it and thought it did not seem to stand up.

Why, if they thought it would not stand up, was my motion to permit its discussion and consideration by a committee of this House turned down? It would seem to me that the Minister of the Environment is a prisoner of his environment. Whatever they tell him, away he goes, asserting it as his own. I have quite a regard for him. He is good looking, attractive and articulate. But when it comes to what will happen to the environment, I prefer Mr. Justice Berger.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the right hon. gentleman, but his time has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Diefenbaker: I shall take only two or three minutes more. I do not wish to deny the Minister of Transport his opportunity. After all, he is going to nail his ideas into *Hansard* today, and I look forward to hearing him explain the unexplainable, unveil the heretofore concealable, and unscrew the inscrutable. I wait for this to be done. I know he will do all those things with that capacity, that knowledge and, above all, that *sang froid* which characterizes him at all times.

In all seriousness, through you, Mr. Speaker, I say to him, "You represent a Saskatchewan constituency. Until the recent appointment of the Minister of State for Multiculturalism (Mr. Guay) and the recent acquisition of the Minister without Portfolio from Alberta, upon you, and you alone, rested the responsibility as the minister from Saskatchewan to put forward the case for western rights and the western economy, while at the same time recognizing the national responsibilities which are yours". I ask him to assure the west that all the equivocation in which he has indulged has simply been camouflage designed to cover up the fact that ever and anon he comes up with this idea: I have to find out, first, whether the recommendations of the Hall commission are going to cost too much. I wish the minister would say to the rest of his colleagues, "Physician, heal thyself."

Some hon. Members: Hear, hear!

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, first of all I would like to say I am very pleased to follow our senior colleague from Saskatchewan, the right hon. member for Prince Albert (Mr. Diefenbaker) and I want to congratulate him on the statesmanlike way in which he dispatched the hon. member for Assiniboia (Mr. Goodale). Not only did he dispatch the hon. member for Assiniboia, whom he scared out of the House, while the Minister of Transport (Mr. Lang) is still here, but he also scared out of the House the Minister without Portfolio from Alberta (Mr. Horner).

Hall Commission Report

I am happy to have the opportunity to take part in this debate initiated by the right hon. member for Prince Albert. I support in general the principles of the Hall Report. I think the report was a very good one. In style, it is similar to the Berger report, also referred to by the right hon. gentleman. In the course of his study, Mr. Hall took his commission into about 77 different communities on the prairies. He talked to about 15,000 people who attended the hearings. Many of us, as members of parliament, myself included, made presentations to the Hall commission. A large number of community leaders, farm groups, and so on, presented their briefs to the commission. I hope the government acts, and acts quickly, on the recommendations in the report because some of those recommendations are vital to small towns and villages across the prairies.

The question might be asked: Why was the Hall commission appointed in the first place? I want to go back over history and consider what motivated the government to appoint the commission a couple of years ago. First, there was the question of the future of some 6,300 miles of railway across the prairies. The government had decided that 12,450 miles of railway on the prairies would form what they called a basic network guaranteed until the year 2000. Then they classified another 6,300 miles as "B railways", on which operations were frozen until January 1, 1975, following the WEOC conference in Alberta. Then, after the commission was appointed, the freeze was extended until June 30 of this year.

The commission was also to study the port utilization question, grain rates, economic development on the prairies, agricultural processing and the Arctic railway, something which was also referred to by the right hon. member for Prince Albert. Let us consider the situation which existed on the prairies and which led to the setting up of the commission in the first place. Those of us who come from the prairies know that over the last few years there has been an increase in what is known as "western alienation". People are more than ever concerned as to whether or not the west is playing its full role in Canada and getting its full share from this great country. One of the major causes of complaint on the prairies is the transportation system and the way it is set up to benefit, not the people of the prairies, but in the main the vested interests which live in what is called the "golden horseshoe" of southern Ontario.

Many people in the west are also very upset that much of our raw material is shipped to central Canada for processing and we, in turn, have to import the finished products back to the prairies, losing economic opportunity and potential jobs for our people. Another area of great concern to us is the tariff structure in Canada. We seem to see a generous attitude taken toward manufacturing in this country. The average manufacturing tariff is around 30 per cent. Most of the manufacturing, of course, takes place in central Canada. The tariff on agricultural goods is about one half of 1 per cent. This, again, appears to be discriminatory toward those who live on the prairies. People from my area who go down to Minnesota or North Dakota ask me why they are able to buy manufactured goods so cheaply just a few miles south of the border. The answer is that although we give industries primarily in southern Ontario tariff protection, our farm goods produced by our own people have no tariff protection whatever.

• (1600)

I come now to the question of rail line abandonment. I have already said that possibly 6,300 miles of rail line are going to be abandoned on the prairies. A study has just been released by the University of Regina, commissioned by the government of Saskatchewan, of the economic and social impact of the abandonment of rail lines on the prairies. This study, which was released to the public on Thursday, May 12 last, found that 47 per cent of businesses and 28 per cent of the population will leave towns and villages along rail lines which will be abandoned. This study focused on 26 communities with a population of more than 100 people, selected from 374 centres served by rail lines which the government is considering abandoning. The Hall commission is as important to people on the prairies as is the Berger inquiry to the people of northern Canada, and it is why the Hall report must be taken seriously by the government.

People in my area also have a great deal of concern about some of the proposals to build huge inland terminals and to close down country elevators which serve small towns in my own province and my neighbouring province. They are also concerned about statements, made by the Minister of Transport—my right hon. friend from Prince Albert put it very well this afternoon—to the effect that the government is equivocating on the Crow rates, that it is not coming out squarely in favour of retaining the Crow rates but saying that farmers should instead receive the benefits of the Crow rates in some other way. I want to know, in what other way. I want to know whether the minister will tell us in a straightforward manner that he is standing firmly behind the Crow rates and will not change them as recommended in the Hall commission report.

My constituents are also concerned about the user-pay philosophy of the Minister of Transport. This is a concept which would hurt people on the prairies. If it were applied literally, it would mean that farmers and businessmen on the prairies would pay the full cost of transporting their goods and materials across this country. That in itself would discriminate against regions like the prairies, the north and the maritimes which are a long way from the markets of this country.

These are the circumstances which led to the Hall commission inquiry on the prairies and to the establishment of a study which I think is one of the most worthwhile we have seen in a long while. A number of recommendations were made which I support in principle and which I believe should be acted upon as quickly as possible. Let me take them one by one. First is the very important question of rail line abandonment. The Commission took a look at the 6,300 miles of B rail lines across the prairies which were going to be abandoned. They held hearings across the prairies and then recommended that some 1,800 miles be incorporated into the basic rail network, the existence of which will be guaranteed until at least the

year 2000. That is a good recommendation, Mr. Speaker, one that the minister should immediately agree to when he takes the floor in about 15 minutes' time. By doing so he will give towns, villages and delivery points along those railways some certainty of their future, and thus enable them to plan their communities and economies in the years ahead.

The report also found that some 2,165 miles of line should be abandoned between June 30 of this year and 1981. We all agree that some rail lines must be abandoned. In fact, some 600 miles of line have not been used for the last two years. However, I suggest the Minister of Transport take another look at some of the proposed abandonments. I can think of 200 or 300 miles of line which perhaps should not be abandoned. For example, in my own riding, Jedburgh and Colmer, both little places, deliver a fair amount of grain and depend on the railways. Perhaps they should be given a second chance and the railroad retained.

The third recommendation in regard to rail line abandonment is to put 2,340 miles of rail lines under the authority of a new Crown corporation to be known as the prairie rail authority. This is a new idea. The Hall commission says it is not really sure that these lines should be abandoned and that 2,300 miles of rail line should be examined very thoroughly by a new federal Crown corporation and retained until the year 1990. By that time a decision must be made whether to abandon or retain them.

In some ways, Mr. Speaker, I think that is very unfortunate, because uncertainty will continue to exist in many communities along those rail lines. There will be uncertainty as to whether or not the Wheat Pool and other grain elevators should upgrade their facilities or build new elevators. Just the other day the president of the Saskatchewan Wheat Pool announced that one new elevator planned for a certain town would not now be built. After all, what is the use of building an elevator if the rail line is abandoned in 12 years' time? What is the point of setting me a new business in a town or village on the rail line if the line is to be abandoned? Therefore, if the government accepts this recommendation they will, in effect, be telling a whole series of towns with significant populations that they will face long-term uncertainty.

In face of this *de facto* uncertainty over a long period, Mr. Speaker, the rail lines will indeed be abandoned. If the elevator companies do not upgrade their facilities, if businessmen do not expand, and new plants are not set up owing to this uncertainty as to the existence of the railway after 1990, then the CTC, the government, or the prairies rail authority, or whichever body will make the decision at that time, will decide the railway is not needed and will abandon it. I do not want to see a large number of these towns put in this situation of continuing uncertainty over the next 12 or 13 years.

Some of these towns are quite big places. For example, in the riding of the hon. member for Assiniboia, the shadow minister of transport, there are towns like Radville, with a population of 1,024, Bengough, with a population of 650; Willowbunch, with a population of 482; Gravelbourg, with a population of 1,428. All of these towns are recommended for inclusion under the prairie rail authority and will face a state of uncertainty for the next 12 years. I do not think there is going to be much development or progress in those towns unless the government decides to keep those rail lines and place them in the A category, maintaining them until the year 2000.

Other towns which will face continuing uncertainty are places like Cudworth, with a population of 800; Leroy, with a population of 435; Naicam, with a population of 711; and Wakaw, with a population of 1,009—all towns within the minister's riding. I think I am right in saying that the right hon. member for Prince Albert started his law practice in Wakaw a number of years ago, and I am sure he would not want that beautiful little town to face uncertainty until 1990 in regard to whether or not the rail line will be retained, new communities can be built and the farmers can be served by rail transportation.

When the minister speaks today, I would ask him to say something about the future of towns like Preeceville, in the riding of Mackenzie, with a population of 1,018 people, and the town of Kelvington, with a population of 1,053 people. These are large places, not tiny hamlets with 20 or 60 people. In many cases, over 1,000 people live in these towns and there are hundreds of farmers in the surrounding area. There are also several hamlets and villages between the towns, such as Preeceville, Kelvington and Porcupine in the Mackenzie constituency. Those areas are thriving and should not have to face continued uncertainty for several years. I hope the Minister of Transport is able to give them new hope when he rises and makes his statement later today.

● (1610)

The second recommendation contained in the Hall report is to retain the Crow rate. Our party has always been in favour the Crow rate. We think it is a rate which the farmers deserve. I hope the minister speaks categorically and strongly in favour of that rate. The commission also recommends that the difference between the Crowsnest rate and the cost of the railway be paid to the railways themselves and that the benefits of the Crow rate, to use the words of the Minister of Transport, not be given in some other way to the farmers. In fact, the Hall commission report, at page 337, reads as follows:

The very idea of sending out cheques to 160,000 farmers is appalling.

The Minister of Transport has talked about extra benefits to the farmers or to municipalities which resulted in that being contained in the report. The third thing they recommend is with respect to the whole area of economic development in western Canada. I would like to refer to the report once again where it is stated that freight structures for the processed product in its concentrated form should cost no more to transport on a ton-mile basis than the same product in its raw state. In other words, they are saying that in western Canada we should be able to process our goods and materials and ship them out at the same rate on a per ton-mile basis as raw materials. They are saying that the processing of the goods should be done where they are produced. For example, rape-

seed should be crushed and processed in the prairies where it is produced and should be subject to the same freight rate as the raw rapeseed. If the Minister of Transport wants to do something significant for the prairies and for western Canada, that is something that should be done.

The fourth item in the report deals with the retention of the decentralized system of country elevators. That is a system which the farmers have fought for over the years, and the Hall commission is saying that it be the basis of our grain handling system in the prairies. In effect, in their report they reject massive centralization of huge inland terminals, which some people in this country have been talking about for the last few years. As the hon. member for Prince Albert stated, the report refers to a northern railway rather than a pipeline in northern Canada. That is one suggestion which merits further study, because you can move many things on a railway that you cannot move in a pipeline, including many things people need, such as raw materials which may have to be shipped down some day from northern Canada.

The Hall report also deals with ports and improving the port facilities we have in this country by dredging the port at Thunder Bay and by improving the utilization of the port at Churchill so that it will be used to a much greater extent. The port at Churchill should be utilized to a greater extent, not only for the people of Churchill but for the people of the prairies generally. The report also recommends an inland cleaning facility in my home riding of Yorkton capable of handling and cleaning 25 million to 30 million bushels of grain every year. That is a suggestion which has a lot of merit and should be looked at seriously by the minister. They are also recommending a greater utilization of the port of Prince Rupert in British Columbia. There are a number of other recommendations one could talk about when debating an issue such as this. The report has more than 500 pages. It is an excellent report and one the government should be acting upon very quickly.

At this stage I would like to move an amendment to the motion which is before the House that will, hopefully, draw the government's attention to some of the more important parts of the Hall commission report. Therefore, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the motion be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words:

"particularly (a) that the Crowsnest statutory rates be maintained, (b) that the principle of the Crowsnest rates be extended to agricultural products processed in western Canada, and (c) that the utilization of the ports of Churchill and Prince Rupert be increased".

I hope the Minister of Transport and his colleague, the Minister without Portfolio from Alberta, and other ministers in the cabinet will make some quick decisions on the Hall commission report which is before them. I hope they will end the uncertainty that literally hundreds of prairie towns and villages are now facing as to whether they will have rail facilities in the years ahead. Once and for all, those of us in western Canada will have our chance to share equally in the development of this great country of ours.

[Mr. Nystrom.]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, in beginning this afternoon I want to pay tribute to the members of the Hall commission who performed a great piece of work for the transportation system in Canada and for people who are engaged in producing and distributing grain. Mr. Cowan, Mr. Stewart, Mr. Forbes and Mr. Lehr from the prairie provinces travelled far and wide throughout the prairies and elsewhere in Canada in order to obtain the views, opinions and reactions of all people interested in the handling and transportation system. In carrying out their appointed task of examining the future of some 6,000 miles of branch lines in the prairie system and the over-all question of the handling and transporting of grain, I believe they did a superb job. They listened and attempted to come to grips with many of the problems which have vexed us for a long time.

I am pleased to see the words of the resolution as proposed by the right hon. member for Prince Albert (Mr. Diefenbaker) and his statement of support in principle for the recommendations of the Hall commission. I was also pleased to hear the comments of the hon. member for Yorkton-Melville (Mr. Nystrom), in terms of his general support of the recommendations of the Hall commission. Perhaps it is somewhat better to put it in that form, since it is a little difficult to agree with some of the recommendations in principle. You have to either agree or disagree with it, rather than adopting it in principle and finding out later what it is all about, determining what it costs and whether you really like it. That is the phraseology this House sometimes uses, and I think we all understand it.

The Hall commission did not come out of the clear blue sky. It was a result of a great deal of work which had been done in connection with the grains industry. That work really began in 1969 with the appointment of the grains group and consolidation within the government of a special effort to come to grips with all the problems affecting our grains industry. What is astonishing in looking at the record of accomplishments since 1969 is to compare that in contrast with the practical absence of progress, change and alteration in the preceding period, and particularly the practical absence of changes and improvements in connection with the grains industry, whether handling, transportation, marketing or any of its policies, during the time when the right hon. member for Prince Albert was prime minister of this country.

There is one major exception to the record of very little being done, and that is the introduction during that period of the idea of cash advances on farm-stored grains. That was accomplished in the first months of that government, but then it seemed to run out of steam in coming to grips with any of the difficult problems. The reason why as a party it is unable to gain solid strength with people throughout this country is that it is so unwilling to take practical and sensible approaches and, indeed, to do anything for fear that someone might not like what it is doing. The Conservative party falls back on the traditional idea that if you do nothing, no one can attack you for your mistakes. That is the philosophy of that party, both in government and in opposition, and we have seen its record. We have seen this most recently, again, in relation to the problem

facing the beef industry. They criticize ideas to solve the problems, but they themselves have no ideas to put forward.

● (1620)

Some hon. Members: Oh, oh!

Mr. Lang: The work of the Hall commission was not the beginning of the study of the problem of grain handling and the transportation system. That began in 1969. One of the first tasks which we launched then, with the firm intention to be thorough, was the exhaustive study of all aspects of the problem. There was production of many documents which are available, of course, and were made available for a greater understanding of problems concerning elevators such as rail cost problems and their impact upon communities of having elevators or rail lines. All these studies which were accomplished over a period of several years were very important contributions from leaders within the grain industry as well as from many government officials who worked zealously on these. I wish to pay tribute, for instance, to the managers of two of the pools in the prairies, Mr. Mumford and Mr. Wally Madill, who, together with Mr. Searle who just then retired from another elevator company, worked with us in connection with many of these studies. At that time we began to assess the information to develop an understanding of the technical questions involved which were eventually to form the basis for the work of the Hall commission. When the work was over, it appeared to us that it was right to have two commissions to bring the work to a conclusion. We appointed then the Snavely commission to examine the technical questions of how much it really costs to move grain and to analyse these technical questions with the provinces and with the companies involved. Also, we appointed the Hall commission.

I was delighted when Mr. Hall accepted to be chairman of this commission, with his strong reputation for being able to listen to the public, to analyse problems and to present views in a sensitive and sympathetic manner. We appointed that commission to hear the public views, to bring together the knowledge, the analysis and the work that we and others had done, and to draw conclusions upon which to act. I was delighted to hear the reference of the right hon. member for Prince Albert to his original appointment of Mr. Hall to the bench in Canada. I think it is a well known and well recognized fact that in all of his work, whether on the bench or in the many commissions he has served so well, his strong liberalism has shown time and time again in his approach and in his conclusions in relation to problems.

That is why I believe it will be possible to act quickly on many of the Hall commission's recommendations and to use them as the basis for the development of solutions to problems in the grain industry. Indeed, to pick up the challenge of the hon. member for Yorkton-Melville, I can say that as soon as I saw the recommendations in the Hall commission report I began work on the initial question dealing with his first and principal recommendation that a particular 1,813 miles of track which were part of his study should be transferred to the basic rail network. I put that proposition to my colleagues for consideration, and this morning the order in council was passed to transfer those 1,813 miles recommended by Mr. Hall to the basic rail network. They will be protected from abandonment in the year 2000, which applies to the other branch lines which were first put into that basic network system. We have, therefore, already on the tenth day after the publication of the Hall report implemented its major feature.

Also, today by order in council we extended protection to 2,344 miles of line which the Hall commission recommended be put in the hands of the prairie rail authority. We have extended their protection to January 1, 1979, so that we may take immediate steps and, at the same time, deliberate action in relation to this recommendation to consider all its implications and to see what formal action must be taken before parliament can carry out that recommendation.

I noted the cautionary words of the hon. member for Yorkton-Melville, expressed previously by some of the representatives of farmers in the prairies, with regard to some aspects that raise concern. I propose to begin immediately discussions with representatives of farmers and, of course, to hear the farmers themselves on the problems, the merits and the difficulties of this recommendation. This with the view to saying, as I said earlier in the House, that I like the report in general and in principle. I hope we can find a way to solve the dilemmas which are seen to exist in it and to get on with it in accordance with the spirit of the Hall commission report.

I propose to meet tomorrow in Regina with the leaders of many of the farm organizations and representatives of the elevator companies, or at least the key ones, and representatives of others involved in the grain industry, including the Wheat Board, we hope, in order to move forward on this and other recommendations in the Hall report. It will not be possible to say of this government, in relation to this problem concerning the grain industry, that we have been slow in moving. We will continue to do here, in relation to this great industry, what our record shows we have done since 1969, that is, to tackled the problems one by one and many together in order to make progress and in order to put the prairie farmer, who is the producer of our Canadian grain both for domestic and export use, into a sound position in his operations, in his marketing and in his income. Since 1969, the things we have done—

Mr. Malone: I rise on a point of order, Mr. Speaker. Could the minister indicate to the House whether he intends to implement the whole report of the Hall commission by order in council, as he is now implying, or will he keep the report away from the committee, as he has the beef program ever since it has been implemented?

Mr. Lang: Obviously, those things which can be done by order in council, if that is the appropriate method, as it is indeed in this case since we have the authority to protect certain rail lines from abandonment, will be done in that way. I hope the hon. member is not suggesting, like a typical Conservative, that we should have delayed action here. Of course, there are a number of recommendations in the Hall

report which can only be brought into existence by legislation. I am thinking in particular of the full form of the prairie rail authority which would clearly be an issue for legislation since it would affect a number of other legislative matters.

Mr. McIsaac: Mr. Speaker, I rise on the same point of order. I wonder if my friend has any objection against the minister proceeding immediately to move in this regard. Is he concerned about that?

Mr. Malone: I would like the minister also to accept immediately the continued guarantee of the Crowsnest pass rates.

• (1630)

Mr. Lang: I will get to the important subjects to which the hon. member referred. I would just like to put into perspective the actions which have been taken, because hon. members opposite are apt to forget them. They do a disservice to this country by suggesting that the government of Canada is not capable of acting to protect the interests of the west. They do a disservice to unity. They do a service to cynicism and separatism with that kind of talk and allegation, and it is unfortunate that they do forget these things. Meanwhile, their colleagues who are not from the west do a further service to cynicism and separatism by going to other parts of the country and arguing that everything is being done for the west and citing things like the hopper car program as prime examples. Hon. members opposite deny that that is their tactic. If they want to know why they are the party of disunity both within their party and within the country, they should look at that record of performing differently in different regions and accusing the government of different things in those regions.

Some hon. Members: Hear, hear!

Mr. Mazankowski: Cut the lectures; get on with the Hall report.

Mr. Lang: Since 1969—

Mr. Malone: Mr. Speaker, I rise on a point of order. To set the record straight, we should point out that any government which has had 11 cabinet ministers resign in three years is a party of disunity.

Mr. Lang: Mr. Speaker, I presume you are making due allowance for the extension of my time because of these interjections.

I refer to the formation of the Canadian Grains Council and also to the expanded credit facilities and long-term federal guarantees which allowed the Wheat Board to pursue new markets for grain. I refer to the new and vigorous efforts to break into world barley markets where we had really never been in a big way for many years before 1970. Again, if we look at the record, while the government of the right hon. member for Prince Albert was in power we find there was little and seriously dwindling attention paid to the feed barley market of the world. After 1970 we determined that we should be in that market in a big way. We set initial prices which encouraged the growth of barley so it would be available for export. We set targets of 200 million bushels fo exports as a basic target the Wheat Board should go after, and in some of the years since then when it has been produced and available that amount of grain has indeed been sold. That is why in the past several years we have had record sales which have exceeded any of the levels which were achieved at any time before 1965.

We set in place a program which put $10 million annually into a new market development fund. We have developed new research facilities such as the new crop science division at the University of Saskatchewan and the protein, oil and starch plant which will be opened in July at that university. We introduced the two-price wheat program, which in a permanent way had never before been seen although it had been talked about by prairie people for many years. We did that at a time when it cost many million dollars each year to finance. We brought in a new quota system, which hon. members opposite attacked but which now allows the smooth and easy flow of grain into the system instead of bringing grain into the system willy-nilly and helter-skelter without regard to market needs and to what the transportation system can handle. We introduced a system for the early announcement of quotas, guaranteed deliveries and initial prices before seeding so that farmers would have that additional information. We improved the timing of final payments by the Wheat Board. We introduced the deferred cash ticket system on grain deliveries.

We introduced a separate pool for malting barley. The block shipping system helped tremendously in the grain handling and transportation system with which Mr. Hall and his commission had to deal. We helped with the grain trucking program, which provided some valuable information to the commission. We introduced government financing for the bringing in of grain so it could be dried. We introduced such things as further consultations with producers, and the election of the advisory committee to the Canadian Wheat Board. We held a poll among rapeseed producers to determine their marketing preference. We now have before the House a proposal for a voluntary system of pooling rapeseed.

Over these past years, while we knew that further study on the grain handling and transportation system was needed and that the Hall report was needed, we decided that there were some things we could do in advance of the report. Such things that everyone seemed to agree would be consistent with any possible combination of grain delivery systems they could imagine. The hopper car program is a prime example of that. In addition we introduced the boxcar repair program to keep extra cars in operation for grain. We have now completed the construction or ordering of 8,000 hopper cars for grain at a cost of $240 million to $250 million.

Hon. members opposite who are from the west ignore and do not mention the things we have done for this important western industry, while their colleagues from other parts of the country point to these iniatives with criticism, saying that the government shows a preference for the west. I ask hon. mem-

bers opposite to try to bring about unity amongst themselves so that their party can be a party for unity for this country as well.

Some hon. Members: Hear, hear!

Mr. Lang: The list is long, and I will not continue it, but the Hall commission report and the Snavely commission report fit into and complete this work, which is very important.

An hon. Member: What about LIFT?

Mr. Lang: In its way, the LIFT program also provided many millions of dollars. It was needed to change the system of clogging elevators which the right hon. gentleman's government had left in existence. That government should have understood the west and should have understood that piling up grain on August 1 every year until the elevators were full, and that encouraging wheat production under a quota system, was wrong. That government had favoured wheat over barley and forgot to sell barley in the world market because it did not seem to show any interest. All these things made no sense, and we needed a system which would work like castor oil in changing the system, but this involved $70 million of government money.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Why is the Minister without Portfolio (Mr. Horner) not applauding?

Mr. Malone: Mr. Speaker, I rise again on a point of order. I am sure the hon. minister did not intend to mislead the House, but he should know there is more congestion in east central Alberta and west central Saskatchewan this year than in past years. He ought to know that because of the movement to Thunder Bay and to other ports.

Mr. Lang: The hon. member for Battle River (Mr. Malone) is wrong, as usual, in suggesting that any of the congestion now is anywhere as great as it was at the time about which I was speaking. Of course, this year there is somewhat more grain to handle because of the record volume of production of last year.

Mr. Mazankowski: It's on the farms.

Mr. Lang: The hon. member should recognize that at this point in time we are already ahead of last year's exports, and by the time this crop year is over, this particular crop year we will have exported very much more grain than we did last year. The only reason there will be additional grain on the farms—which there will be—is the record production which we all should welcome and the build-up of supplies which were already at that point fairly high. It is a welcome build-up of supplies in terms of security of supply for the world.

Hon. members opposite asked me to refer to the Crowsnest rates on grain, and I am certainly glad to take this opportunity to do that. The Conservative party, through its spokesman, the right hon. member for Prince Albert, and the New Democratic Party, through its spokesman, the hon. member for Yorkton-Melville, have both said that essentially they agree with the recommendations of the Hall report. As with the Berger report, they were ready to agree unanimously to those recommendations the very day the report came out and before they had much chance to read it. Notwithstanding the fact that the official opposition should have been somewhat alerted to the dangers of that—because the Leader of the Opposition immediately supported the Berger report in total and then had to vote the other way in this House—on reflection perhaps a little bit of weighing of the evidence is desirable. I have also said that about some of the individual recommendations, but it would be useful to know what they cost. Even if one is willing to pay the cost, it is useful to know what it is before one decides to proceed.

Hon. members opposite support the recommendations of the Hall report in general.

M. Mazankowski: Have you not supported them in general? Make up your mind.

Mr. Lang: On the question of the Crowsnest rate, the Hall commission says this:

> Regardless of what rate may be set for the transport of grain to export position that rate must be statutory, not variable.

I have no hesitation in saying that I have never had any thoughts to the contrary in relation to that particular rate on grain. The commission report goes on:

● (1640)

> How the difference between the new rate and the Crowsnest rate will be apportioned between the government and the producer is, of course, a matter for government decision. This commission feels that the government must continue to subsidize the transportation of export grain and that the full cost, as deemed by the commission on the costs of transporting grain by rail, must not be imposed on the producer.

In supporting that recommendation in general, as the two parties opposite have done, it should be noted they did not go as far as I have gone in the past in my assertion that I believed the whole of the benefit of the Crowsnest rate for grain should be reserved for western producers. They do not go as far as I have gone in suggesting that. Indeed, over the years my only qualification about the preservation of the whole of the benefit of the Crowsnest rate for the west has been to tie it in principle and theory, as it was tied in national policy almost a century ago, to the existence and creation of tariffs and their burdens on the grain farmer and the agricultural sector. I have suggested that any diminution in the benefit of those rates to the prairies could only come about if benefit was being conferred on the prairies and on the grain sector in particular by improvements and movements toward freer trade.

If the world were to move toward freer trade, then I could see that the particular historic benefit which was tied in many ways to the development of a tariff structure should be varied as well. That is the only comment or qualification I have made, whereas here the commission suggests perhaps there should be greater movement away from the statutory rate. I say that the statutory rate should remain in that statutory

form. I will be having discussions with my colleagues about many other issues in the Hall report in connection with improvements in the grain handling and transportation system.

Surely, in our total examination of freight we have to bring some sense of the principles to bear in regard to the handling of products and the impact of one product upon another. The Hall commission seems to me clearly to support the statement that we ought to have equity in freight rates between grain and meat. That is something I have said emphatically over and over again, particularly in connection with the development of the feed grains policy for Canada. I have spoken of the need to have access to feed grain for all farmers in all parts of the country for the purpose of freedom of trade and proper development of products according to natural advantage. I have spoken, as well, of the need to have equity in freight rates between the two products. In many ways, in principle, the people throughout the prairies appreciate the importance of that and realize it is a problem that has to be grappled with. The recommendation to upgrade the railways will cost a great deal of money. That is also a matter that this government will have to grapple with in the near future.

I spoke about the record of this government in relation to many other grain programs, without mentioning them all. I did not mention what is perhaps the greatest of all government programs in the past eight or nine years, the western grains stabilization plan. This may well prove over the years to be the greatest bulwark and mainstay of prairie grain producers at any time where downswings occur. In the light of history, there are reasons to believe that those downswings will occur. This great grain stabilization plan commits the government, in essence, to 4 per cent annually of the value of grain but guarantees whatever amount is required from the treasury to pay the difference between what the cash income of prairie farmers has been over five years and what it is in a current year. That may well prove to be the greatest monument to the action of this government in regard to the grain industry.

Mr. Speaker, that plan was the result of years and years of hard and determined work on the part of the few of us on this side of the House from the prairies, with the co-operation of members of the Liberal party from every province in the country—from Quebec and Ontario, from the Atlantic provinces and British Columbia as well as the Liberals from the prairies. It triumphed over the struggle and time-wasting and time-consuming efforts of members opposite from the prairies who were doing a disservice by working against a plan because of only one thing—that they did not want a plan so good to be brought in. That kind of narrow politics I cannot understand, even from members opposite.

The government has a record of performance in relation to the grain industry which is recognized by members of that industry, farmers and farm leaders alike. They know the problems and know that we have taken action with programs like the change in the quota system which in its time was unpopular but which has proved to be what was needed. People across this country who have seen that know they can have confidence. So much of what is in the Hall commission report is the culmination of the work done in the grains group and the culmination of the hearings we asked the Hall commission to undertake. Those people know that we will take very serious steps to implement those recommendations which will benefit the prairies, the grain industry and the grain farmer.

It will be said after these eight, nine or ten years of performance that this government has acted forthrightly at all times—has acted quickly and decisively for the benefit of the grain industry and its systems. We will do so again in connection with the Hall report. That is my pledge, Mr. Speaker.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I welcome the opportunity to make a few comments on today's motion, although I am somewhat surprised to see how quickly we are deciding on the Hall report. I am sure it is not a mistake to say that most of us did not have time to read it because we just got it; yet we are simply requested to agree in principle on the recommendation of the Hall commission.

I think it is only an agreement in principle because it is impossible to study such a voluminous document in two, three or four days. After reading the first few pages of this document, we realize that it concerns primarily the interest of the western provinces, the grain production, as the minister just said. It concerns all the provinces of Canada because I think that the evolution of a province has an impact on the whole country; it concerns us all the more, as the minister also said, that the change will not be made with nothing but with money; we are then much more interested because we will also be asked to pay for this change.

● (1650)

Therefore I congratulate all the members of the Hall commission. The minister said that this commission had travelled a lot. I would add they have written a lot as well, because judging from their first volume of almost 600 pages we have just received, let alone those to come, I believe we can say these commissioners have done a lot of work. I am very pleased for western farmers who must also benefit from the effects of the progress taking place in this country.

If we go back to the time when the grain transportation system through the Prairies was just beginning, we find that what was modern then is entirely obsolete today, like the agricultural production which is quite different, much more mechanized and more rapid than at the time when they farmed with horses. This is why we can still see all these things from the past, that is those hundreds of local elevators, many of which are now completely abandoned. The same applies to railway tracks. The Hall commission was supposed to undertake a study of the situation in order to make constructive recommendations to Parliament. Appointed in 1975, this commission was assigned the task of studying the needs of western farmers in terms of railway transportation, to make a full assessment of requirements relating to regional transportation

in order to analyze the impact of the over-all grain handling and transportation system.

Finally, it was to make recommendations which today affect about 6,283 miles of railway tracks throughout the Prairie provinces. As regards those lines which are to be abandoned, I believe many western producers will have a lot to say, and we shall not voice any objection about it because they have common interests to defend. It is quite similar to what is happening in our province where we fight in an attempt to modernize our railway system. We share almost the same problems, passenger services, freight services, and we must at all cost deal with transportation experts. We must take their advice, but especially study their recommendations. I suggest this is what the Prairie farmers are trying to do with this motion today.

We shall deal also with the maintenance of statutory rates and handling but I wish we would refer to storage as well.

In a summary of his first volume, this is what Mr. Justice Hall had to say:

The grain handling and transportation commission asserts that this report is the result of a two-year study. During those two years, about 120 hearings have been held and the commission has received over 1,600 briefs. In addition, more than 15,000 people have attended the commission hearings.

Mr. Speaker, I insist on quoting that paragraph. People often say: They set up that commission, but now we will hear no more about it. I shall quote that excerpt to show the people that those commissions do work efficiently, for I think that if the people were aware of the number of hours of work, of miles covered, of visits out in the field, they would appreciate the work of this commission far more:

During its inquiry, the commission encouraged all those who are interested in the future of western Canada to express their views, both orally and in writing, at its hearings. Most of them were held in the towns and cities along the railway lines the commission was to assess and about which it was to make recommendations.

So, the commissioners did not work haphazardly; they did not write that volume sitting in their offices: they went out into the field, to see first hand what is going on.

The recommendations of the commission should serve as the basis for rationalizing the grain handling and transportation system in the future. In addition to recommending the early abandonment of the lines which are no longer needed, we also recommend the creation of a new body whose function would be to make a permanent assessment of future needs in the field of railway transportation. The commission concludes that 1,813 miles of branch lines in the Prairies, which have proved very useful and important on a regional basis, should be reintegrated into the main railway network, and that their existence be guaranteed until the year 2000.

The commission therefore recommends the abandonment, pure and simple, of over 2,000 miles of branch lines which have not been used for some time. I know that some years ago I had occasion to visit the Prairie provinces two or three times, and I was amazed to see all those abandoned lines. At the same time, there exists a whole new system, more modern and much quicker, of getting to the elevators. As I said a while ago, the years of the small industry, the small farm in the west are over, and the means of transport must, of necessity, be adapted to the evolution of agricultural production. We always hear that the west is Canada's granary, and I think this is true as far as grains are concerned. It is absolutely necessary to have this wealth shipped as soon as possible instead of leaving it in the fields. It is also necessary that all the provinces benefit from this. Those who are called upon to pay must also benefit from the future modernization in the western provinces.

This leads me to the question of storage. It is all well to take the grain from the land of the Prairie provinces and bring it to the elevators, but it must also be redistributed in the other provinces. I draw particularly the minister's attention to this point, namely that we will have to rethink the matter of grain storage in each and every province, and in Quebec—I speak for Quebec because that is where I live—it will be necessary to double the number of elevators either in Quebec City or in Montreal so that we do not have to send the grain by train in winter, when it is 50 per cent cheaper by ship.

If we had the necessary storage for a 12-month period, consumers, farmers and producers would benefit from the savings instead of being forced as they are now to fill western elevators and even municipal elevators right up. It would be so easy, before the close of the shipping season, to forward to Quebec and Maritime elevators the necessary stocks to guarantee to the consumers of each of those provinces the grain they will need during the 12 following months.

I think the government must show leadership and anticipate and we should forecast for at least 12 months to avoid those transport shortages. There are not enough engines and cars to carry the grain in eastern Canada when it would have been so easy to try before the close of the shipping season to fill up the elevators and thus the surplus alone would have to be carried in case of emergency during winter. Those are the comments which I want to make for now. I am pleased once again with the work done by the commission and I am convinced that it will benefit Canada as a whole.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Timiskaming (Mr. Peters)—National Defence—Request for equipment to assist residents of Cobalt following fire; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Canadian Export Development Corporation—Reason for refusal to confirm Transair as prime bidder for United States Air Force contract; the hon. member for Oxford (Mr. Halliday)—Health—Possibility of studies on effects of saccharin on humans—Reason for failure to consult medical associations prior to imposing ban.

• (1700)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—GRAIN HANDLING AND TRANSPORTATION

The House resumed consideration of the motion of Mr. Diefenbaker:

That this House agrees in principle with the recommendations of the Hall commission on grain handling and transportation.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I wish the Minister of Transport (Mr. Lang) had stayed to hear what I am going to say, because I would rather say these things face to face. This motion was moved today to force the government to declare where it stands on the principles of the Hall report. There is nothing new in the principles enunciated in this report. They have been talked about and proposed in western Canada over the past 50 years. The essence of this report is that it puts all these things that we have asked for for half a century into one volume. Second, it puts it into plain English that even a government can understand.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): What does the minister do in the face of this challenge by the right hon. member for Prince Albert (Mr. Diefenbaker)? He brought in a long list of achievements of his government and attacked the record of the Diefenbaker administration 15 years ago. Why does he take this stance? The reason he avoids the challenge of the right hon. member for Prince Albert is that he knows the record of his government. The philosophy of his government is not the philosophy of western Canada. If the minister has done so much good, why is he so feared all through the west?

In Saskatchewan we are in the process of fighting provincial by-elections. A party which had nothing two years ago, relatively 15 or 20 per cent of the vote, is now winning these by-elections. It is not so much because of dissatisfaction with the government in Saskatchewan, but with the fact that the issues are being fought on federal issues. The person who, above all, the farmers want to send a message to when they vote in these provincial by-elections in Saskatchewan is the Minister of Transport. They want him to know their philosophy is one of expansion in the west. Their philosophy is one of using the great productivity that they have to help feed the whole world. All they get from this government is restriction, restriction, restriction. They know that this man has to be removed from the decision-making of the government of Canada. We know what he is doing.

When the minister brought in the LIFT program in 1970 it was not an isolated act by a government. It was part of a philosophy that came out of an agricultural task force report in 1969. It said that all across Canada there were three times as many farmers as there should be, and we should deliberately, with government policies at the federal level and the provincial level, cut that number down to one—

[The Acting Speaker (Mr. Ethier).]

Mr. Lang: That is not what it said, and you know it.

Mr. Hamilton (Qu'Appelle-Moose Mountain): That policy of the agricultural task force said that as far as the prairies are concerned, we should reduce the acreage to half. The next year the minister and his government brought in four bits of legislation to help carry out that principle. The LIFT program was number one. Look carefully at the LIFT program recommended by the farm organizations and accepted by the government because the men who wrote the agricultural task force report tried to tell the farmers that they had too much wheat productivity and that they should cut out wheat. They had a program called the small farm program to get rid of farmers. They set up a land bank. I was in Saskatchewan in Pelly constituency the last two days, and 20 per cent of the land is owned by the government. It is all part of a policy to take over the control of the individual and the decision-making on the farms of this country.

The Minister of Transport brought out the key question of the Crowsnest rate. He said he was for the Crowsnest rates and for putting them into a statute. Who is not? They have to be there. However, what he does not seem to face up to is the significance of what Hall has said about these Crowsnest rates and what the minister and his government intended. The minister wanted to change the Crowsnest rates from what they are, charge the farmers two or three times more and then come back and reimburse the farmer for the extra cost. He wanted to pay it back to the farmer as an individual farmer, either in acreage or by bushels. Hall saw the danger. Hall is from the west. He knew the deep fear in the hearts of western farmers when he wrote this, and I quote:

The commission recommends that the difference between the Crowsnest rate and the rate determined through costs found by the commission on the costs of transporting grain should be paid directly to the railways, and not to individual farmers. The very idea of sending out cheques to 160,000 farmers is appalling.

It is not appalling to the Minister of Transport. He knows that is how you can control the votes. He, the great Santa Claus of all times, wants to send out 160,000 cheques to individual farmers. We remember under the LIFT program before the election in 1972 the cheques that came out for the summer fallow, land which should have been in wheat. After the 1972 election they said, "You were overpaid, and we have to get it back." Before the 1974 election they came along and made payments for grassing.

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

Mr. Hamilton (Qu'Appelle-Moose Mountain): Yes, Mr. Speaker, at the end of my speech. Then they came along and said they had overpaid them, and they had to get it back. All this was done so overtly that members of this House, the hon. member for Red Deer (Mr. Towers) and the hon. member for Swift Current-Maple Creek (Mr. Hamilton), were able to report to the Auditor General that things were going on that

did not seem right. The Auditor General went in and photographed the documents of the organization carrying out that program.

We turned our information over to the criminal fraud squad of the RCMP. It is pretty hard to get guys who are into the pot to give evidence against themselves, but five did. One was charged, the head man. When the evidence was put before the judge, he said there was enough evidence to have this man stand trial for criminal fraud. In plain terms, that meant stealing money from the farmers and trying to persuade them to vote Liberal. That case has never been heard. Why? That will be the issue one of these days. We questioned the Minister of Agriculture on the same subject because beside the criminal fraud there was the political fraud. The minister stood in the House and said, "Well, they burned the records". When a matter is before parliament affecting the repeal of the PFAA, and when a matter of criminal fraud is before the courts, a government which would allow these guilty people to go in and burn the records of PFAA has a purpose in mind beyond just burning the records. The Minister of Transport has one purpose in mind—

● (1710)

Mr. Lang: On a question of privilege, Mr. Speaker, the hon. member seems to be implying that I had some connection with the acts he was describing. He has heard that that is not true. He should withdraw any such suggestion or imputation. He has gone further than that and referred to "those guilty persons"—I believe those were his words—in relation to people who are not here to defend themselves and who are thus imputed by him to be guilty before court process has been completed. I think he ought to refrain from that kind of conduct even though he is protected in this House by long-standing privileges accorded to members of parliament. These are privileges which ought not to be abused and the hon. member ought, therefore, to avoid making statements of the kind he did. I say this without having connection with the individuals concerned, but out of a regard for a sense of fairness. I come back to my original remarks, that if he was imputing any connection between myself and any wrongdoing, I ask him to withdraw.

Mr. Hamilton (Qu'Appelle-Moose Mountain): What I am going to say, Mr. Speaker, is going to be loud and clear. The man who is charged with criminal fraud by stealing money from the farmers was an appointee of the government opposite, of which the minister is part. The hon. gentleman can make what he likes of that. Second, it was a colleague of his, the Minister of Agriculture, who stood up in this House, as the record shows, and said the documents were burned. When this subject goes before a committee, as one day it will, we shall ask the government why those women were dismissed just before Christmas. Why did they keep a director there who was fully paid but never allowed to go into his own office? There is no question of privilege there. The minister knows exactly what I am saying, and exactly who is responsible for putting that man, who is now before the courts on charges of criminal fraud, in his position.

Now I want to return to my speech. The minister has tried to obscure the fact that the Hall report strikes a body blow at him and all he has tried to do in western Canada in the last eight years. It is obvious that members on the government side do not like this message. But it is a message they have got to hear. People in this country do not want corrupt government, whether they live in Quebec or in Saskatchewan. They want vrai gouvernement, good government, true government, honest government.

Let us take another issue. In Bill C-33 the government brought in a measure to amend the Transportation Act. All the work parliament did from 1964 to 1967 in transferring the power to control railways, pipelines, airlines, trucking, everything involved in transportation, out of the hands of the minister and the civil servants—who were doing nothing with it, anyway—and into the hands of a board of 17 members of the transport commission—a board which did nothing with it, either—was brought to nothing. At this very moment there stands upon our agenda a bill to take all that power away from the commission which, as I say, did nothing with it, and put it again into the hands of the minister and the civil servants around him. When we see a political machine being built up in western Canada, sure we are going to fight. We had that under Gardiner for 25 years, and we are not going to tolerate that type of dictatorship any more from people who are expressing philosophies which are foreign to our western views and, I think, foreign to those of the whole country.

In conclusion, I want to say a word about the amendment put forward by the NDP. I do not think there is any question but that it is acceptable. But why did they limit their amendment to two specific principles—the Crowsnest rates and the utilization of Churchill and Port Rupert? What about the most important principle in the whole report, the rationalization of the grain handling system? There is no mention of the fact that we have five great inland terminals out there, owned by the people of Canada, standing empty and unused. Why? Because to use them would be to provide competition with existing grain companies. Why did the NDP not put that into their program? Why don't they talk about the rationalization of the grain handling industry? No longer will they be allowed to build where they shouldn't, and to abandon where they should not. They will come under the control of the prairie railway authority, if the Hall recommendations are accepted. They will come under the control of the Board of Grain Commissioners and of the Canadian Wheat Board.

One of the great failures of the last 15 years has been the unwillingness of the grain companies in western Canada to modernize. The minister says the Diefenbaker government did nothing. The only person who will believe that statement is his wife. In 1962 I went to a meeting in Regina and in a public speech, speaking as a minister of the Crown, I asked the delegates of the Saskatchewan Wheat Pool to support me in two proposals. One was that they set aside 2 cents a bushel on every bushel they put into their elevators to help their own

companies modernize their elevator systems and get rid of the inefficient, costly and wasteful system they had. The second thing I asked them was to join with their rivals, the UGG, and go into operation with the Alberta and Manitoba pools and form a selling agency to sell Canadian wheat abroad, instead of just sitting there collecting money out of storage and handling.

The price I paid for making those two proposals was this: the leader of the official opposition at that time, Mr. Pearson, attacked me in the House, supported by the leader of the NDP, the present member for Nanaimo-Cowichan-The Islands (Mr. Douglas). The position they took was that one should not ask farm organizations to do anything for themselves. To do so is Conservative philosophy; their philosophy is to allow nothing to be done and continue to allow farmers to face those heavy costs. Yet after five days of debate in that farm meeting in Saskatchewan, those farmers voted 100 per cent in favour of my proposals. The question then arises: Why was nothing done? Their delegates supported it, but nothing developed. Only in the last five or six years have the grain companies begun to modernize under the threat of other companies coming in and building big elevators. Why is that not mentioned? Cannot the minister stand in the House and say, "I support the rationalization of the grain handling system"?

Then there is this business of not allowing farmers to haul their grain to CPR railway lines, barring them from sending their grain to Churchill or to Prince Rupert. All our northern grain at CPR points had to be hauled hundreds of miles south to the east or the west to avoid CP cars travelling over CNR lines. What a crime against the farmers of western Canada! Hall recommends that this be stopped. There is no mention of that in the amendment. The minister could have said, "I will accept that immediately". He does not need a statutory change; he passes an order in council that lines already abandoned can be abandoned. Then he puts in another order in council today, when he knew that this motion was coming up, which says, in effect, that the 2,000 lines which are considered marginal and will be put under the prairie railway authority will not be decided upon until January 1, 1979. That only tells me one thing, that we would not—

● (1720)

The Acting Speaker (Mr. Turner): Order. I regret to interrupt the hon. member, but his allotted time has expired. He may continue with unanimous consent. Has the hon. member unanimous consent to continue?

Some hon. Members: Agreed.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I will not take too long, Mr. Speaker. I want to conclude with a rapid summary. It is the minister who is under attack here. He has failed to respond today to the challenge of the Crow rates. This report is not to be used for political monkey-shining; it is to be used to put the railways into a rational and profit-making position. In this debate today the minister has failed to support

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

the principle of the rationalization of the railways—getting rid of lines running parallel, of cases where grain is hauled 100 miles to the east and 100 miles to the west, so that the railways not run over each other's lines.

The minister should have supported rationalization because it would mean less cost to the taxpayer and more money to the railways. There has been no response from the minister in regard to giving the prairie rail authority power to direct, which is key to the success of the Hall proposals. The minister has failed to mention the inland terminals' 50 years of crime against the farmers. This is now a clear recommendation in the Hall report. They belonged to us as a government.

Let me give the House one example. When you ship grain to the coast from these big new terminals at Thunder Bay or Vancouver there is a certain kind of tonnage which we call screenings. When you ship, say, to Vancouver the farmer pays the cost of shipping the screenings. Then it costs the grain company money to pelletize and sell the screenings. There are about 28 million bushels of screenings a year, and in marketable form they cost about $16 a ton. The price of the screenings, when sold to the poultry producer on the west coast, is $80 a ton. In other words, $64 profit goes to the grain companies, value that belongs to the farmer. By running the inland terminals, what you are saying to the farmer is that the screenings should be taken out in the west and utilized in the beef industry, with the value going to the people who produce the grain.

The minister has failed to see the significance of the Hall report and what it means to the development of Churchill and Prince Rupert, not to hinder and hurt but to help the ports of Vancouver, Montreal and those in the Atlantic region. The minister has failed to see that the whole thrust of the Hall report is not to add great extra subsidy costs but to run the railroads and the grain system rationally, so that costs are cut and the railways begin to make money.

This is why a northern railway was added, Mr. Speaker. The minister said that the northern railway was beyond the commission's terms of reference, but Mr. Justice Hall shot that down; he read the actual terms of reference. The minister does not even realize what Hall is talking about. He is talking about hauling more commodities by rail, such as gravel, mineral concentrates from the north, finished beef products, processed rapeseed, and so on. The cries of the west for the last 50 years have been answered by this report, yet the minister turns, twists and deviates, all to avoid saying it is a great report and that the government can accept every single principle which will be implemented as fast as humanly possible.

In conclusion, Mr. Speaker, if these principles are not in the statute books of this country and enshrined in some form of regulation when the government call the election, then they had better watch out. We have spent 40 years now waiting for some action. The government scuttled away from taking action on the MacPherson report. Are they going to scuttle away again? This is the issue in the west. If action is not taken, then hon. members opposite will have no further chance to say "No" all the time.

Incidentally, I heard the interjection of the hon. member for Assiniboia (Mr. Goodale) today. I was in the House watching the hon. member for Assiniboia when the motion of the hon. member for Saskatoon-Biggar was moved. I saw the hon. member for Assiniboia say "No". I simply say to members from Saskatchewan, Manitoba, Alberta and B.C., "Vote for these principles. The people are not going to stand for any more delay. They want action. This report will not cost the taxpayer any more money. It will reduce subsidies. It is a good report".

I could make five suggestions which would improve the report, but they are all additions of principle. However, that is not my purpose here today. We have asked this parliament to accept the principles contained in the Hall report and to do those things that he recommends before we go to the country. Then we will know the government really means what they say. We do not want any more orders in council to the effect that the government is going to consider the matter on January 1, 1979. The government does not need any more information. We have had more reports on the subject over the last ten years than we need. I tell the government to act now so that hon. members opposite can stand up before westerners and tell them they were not betrayed when the chance came.

Mr. Cliff McIsaac (Battleford-Kindersley): Mr. Speaker, it is always a real pleasure to listen to and become involved in debate with my hon. friend from Qu'Appelle-Moose Mountain (Mr. Hamilton). Let me assure him that the government will undoubtedly follow his suggestion in terms of moving forward with the report of the Hall commission. In listening to my hon. friend I always have the feeling, when he recites the tremendous aims and goals that he and his party have for Canada, particularly western Canada, that he is suffering from deep frustration which goes back to the time when he and his party did have the opportunity to put forward blueprints for agriculture, for transportation and other vital areas, not only in Canada in general but in western Canada in particular. I can only conclude that this frustration stems from his difficulty in coming to grips with the problems, and particularly with the solutions, to those problems.

I want to thank the right hon. member and others opposite for the opportunity to debate this matter today and for putting the subject of the Hall commission report on the order paper. I think that a little bit of history might be in order in so far as the Hall commission report is concerned. In the early pages of the report it is pointed out that there have been 12 similar commissions or studies on this entire field over the last 60 to 70 years. I am sure that the essence of this report will not take as long to implement as the MacPherson report and the legislation which followed. I think there was a time-frame of nine years from the time that commission was established in 1959 until we saw legislation in 1966, 1967 and 1968, some of which has not yet been proclaimed.

Now, less than 20 years later, we are again looking—as well we should as a parliament—at transportation needs and particularly at the grain handling system in western Canada. Only two years have gone by since the establishment of the Hall commission. It was established by a Liberal government through the auspices of the Minister of Transport (Mr. Lang) in charge of the Wheat Board and his predecessor, the former member for Langelier when he was minister of transport. Therefore, two years have elapsed already since the commission was established. I know we are not going to have to wait another seven years, as was the record with the previous Conservative government commission.

● (1730)

The Conservatives' record in transportation is almost an enviable one because it is almost totally clean. The one accomplishment they had was to establish and appoint that MacPherson Commission. In their period of government, they never got around to doing very much about transportation, other than that one single step. Thus it is pretty difficult to go back and criticize that record, because it is so clean in that regard. They have done nothing; they have suggested nothing; they have proposed nothing; and, generally speaking, they have turned a blind eye to the economic facts of life in the country, as time has gone on and changed those economic facts.

The Minister of Transport pointed out in his remarks that they want greater subsidies in the east and greater subsidies in the west, and all the while they want reduced government expenditures—it is not supposed to cost any money. They do not want user-pay, and they do not want the user to know what is going on and what the economic facts of life are. It is not going to be difficult for the government and for the Minister of Transport to surpass the record of the opposition in transportation. It has already been done a number of times over.

The hon. member for Yorkton-Melville (Mr. Nystrom) made reference to the history and the story behind the Hall Commission—where did it come from, why was it set up, and for what purposes did they go out and hold the tremendous series of hearings that they did across the prairie region? I would like to point out that it was two Liberal ministers and this government that established that commission, which did a fine job and gave us the finest report we have ever seen in transportation in the grain handling field. The report not only combines those aspects of it, but it also combines other social and economic aspects of western life. I am sure this report will be a blueprint for government action in that respect.

There was reference made to a number of the recommendations contained in the report. Some of the statements made and the recommendations deserve review and inclusion in the record to some extent. It is difficult to cover all of the things alluded to in this very comprehensive report. The commission members were to inquire into the rail needs of communities, and were to receive evidence from any person, interested agency, group or corporation. That was their mandate, and in that respect Chief Justice Hall and his fellow commissioners certainly carried out their mandate to the fullest. They had something like 15,000 people present at a wide variety of hearings, not only in the prairies but on the west coast as well. They did an excellent job in seeking opinions from western

people concerned with every phase of the industry, from communities, from grain companies and so on.

Specifically they were to deal with the question of 6,283 miles of branch lines which had been proposed for abandonment. This followed designation by the Minister of Transport in December 1974 of 12,000 miles of rail network in western Canada as a so-called basic network. The idea was to set those lines out as being a permanent network regarding which there was no need for people, communities or grain companies to be concerned about their futures. The commission was established to look into the rail needs of communities on that 6,000 miles which was proposed for abandonment. It became operational; it did a very thorough job; it heard many, many people; and it heard many suggestions—indeed suggestions which have been made frequently in the past. Now we have them all compiled and built into the Hall Commission report.

It is a blueprint of the concerns and aspirations of western people, not only in the field of grain transportation but in other aspects as well. What did the Hall report say? It covered a wide variety of recommendations. Before looking to any great extent at what the Hall Commission said and what it recommended, we should briefly look at the conclusions of the previous royal commission, namely, the MacPherson Royal Commission.

The deterioration of the railroads took place as a result of the deficits which were the plague of the railroads. The MacPherson Commission concluded that railway deficits were due to three factors: the collective burdens of uneconomic branch lines, the unprofitable passenger services, and the insufficiency of the Crowsnest pass grain rates. Those factors prevented them from upgrading the system and updating the system.

I would like to look at some of the points made by the Hall Commission, as they conducted their work and wrote their report. When you look at the branch lines and the railway network in western Canada, you are not only looking at the railroads and grain movement, but you are also looking at the effect the abandonment of these lines will have, might have, or could have on the life of various communities concerned.

I would like to quote from page 79 of the Hall Commission report which reads as follows:

It is the people and the spirit of the people which gives the community viability, not the railways nor the elevators.

The commission does not doubt the psychological effect that the removal of the railway will have on many residents. Many of the inhabitants of affected communities will have already experienced the loss of such things as the livery barn, the steam train, the school, or the telephone exchange. Whether we deem the phasing out of these elements of community life to be signs of progress or not, it is a fact that these facilities were the victims of our developing technology and social change, unrelated to rail abandonment.

I believe that is a true statement and a rather strong statement. There are communities, however, which will be affected by abandonment and might not believe that statement. It has been one of the things which has caused a great deal of concern in western Canada to people in all walks of life, and not only farmers, when we discuss, debate or look at this whole question of rail rationalization—whether to abandon or not to abandon; on what terms to abandon; and so on. It was one of the questions which was difficult to resolve with respect to the 1967 act, when criteria were set out by which the CTC would judge whether or not to abandon a railway line. I am referring to the whole question of social and economic cost—how do you define it and how do you put a handle on it? The Hall Commission report stated that, as a group of people out there, we over-emphasized that particular aspect of this whole question of abandonment.

There are other aspects and quotes in the report which should be discussed. I notice the hon. member for Qu'Appelle-Moose Mountain referred to the question of screenings—where those screenings are, what could happen to them, and where they should be. The report covers that particular subject. That has a relationship not only to the grain industry and the transportation industry, but also to the livestock industry. Referring to the cleaning of grain and screenings, the Hall Commission report at page 153 reads as follows:

Considerable discussion ensued at some hearings regarding the cleaning of grain and the use of screenings.

The report continues as follows:

On the average one out of every 40 cars of grain shipped is screenings. Whether this represents a loss of cheap feed to the prairie livestock producer or a windfall to the grain companies is open to question.

● (1740)

The report goes on to say at page 155:

Screenings represent a large quantity of product, the 28 million bushels produced is equivalent to the total record Churchill throughput of 1976.

I think that is a pretty interesting observation. It goes on to read:

These are hauled from the prairies at a cost to the transportation system and represent no return to the producer except as an unknown reduction in handling tariffs and as patronage dividends.

Again, with reference to the point made by the hon. member for Qu'Appelle-Moose Mountain, the report states:

The interior government terminal elevators at Moose Jaw, Saskatoon, Edmonton, Lethbridge and Calgary have a combined cleaning capacity of 205 million bushels per year. These facilities are in place and it is a waste of existing resources if they are not fully utilized.

As I said, this report makes a number of observations in a great variety of areas that have been discussed before, and it is to be hoped that steps can be taken not only to recognize these facts but to try to do something about them.

A little later the report goes on to discuss further the aspects of the screenings. At page 158 and 159 it states the following:

6. All of the screenings produced in western Canada could be utilized in western Canada for livestock feed.

7. The screenings will be used for feed on the prairies when available and economics dictate.

8. In light of the alternatives presented, the cleaning of grain at inland facilities equipped to do so appears to offer the greatest flexibility of exploiting market opportunities.

Western grain and livestock producers are in an improved position and will realize maximum returns if grain cleaning is carried out at a location with free access to all markets.

Screenings now constitute a hidden tariff as far as the grain producer is concerned. This should not be so.

Equity between the handling of products from both the grain and the livestock industries has been a sore point with me for many years. I am aware of the reasons for the situation being as it is today, with the grain companies doing the cleaning with the facilities they have built at the ports, but it certainly seems to be one of the trends that has developed and that has not worked to the advantage of the western livestock industry.

With respect to livestock, the report sets out at page 277 two important principles. With respect to the economic development of the prairie region it states:

. . . the commission subscribes to the following principles:

(1) The prairie region of Canada is basically an exporting region, and hence a major contributor to Canada's favourable balance of payments position.

That is a point which needs to be stated and restated. The report goes on to read:

Current and future transportation policies should not detract from disposition but should recognize its importance in the national interest.

(2) The production and processing of agricultural products should take place in regions which enjoy natural locational advantages for such activities. Freight rates and other transport related policies should not destroy these natural locational advantages.

Again these are two points which certainly have the endorsation of all the western members and, I am sure, of members from other parts of the country, on both sides of the House.

On the question of livestock and equity between the livestock and grain industries, we find the following statement in the report at page 309:

The commission recommends that freight rates on livestock and meat be set at levels which do not discriminate against the natural locational advantage of prairie livestock producers and processors.

Then the report goes on to discuss malting plants, flour milling and so on with respect to the processing of western products.

At page 336 of the report there is another reference to statutory freight rates, and we find this statement:

How the difference between the new rate and the Crowsnest rate will be apportioned between the government and the producer is, of course, a matter for government decision. This commission feels that the government must continue to subsidize the transportation of export grain and that the whole cost, as deemed by the commission on the costs of transporting grain by rail, must not be imposed on the producer.

That recommendation will have the support of western members in any party.

As to how it will be implemented to bring equity between the livestock and grain industries—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that the time allotted to him has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: Two minutes.

Mr. McIsaac: Thank you, Mr. Speaker, I shall only take two or three minutes more.

I want to say in conclusion that I am very happy indeed with the recommendations contained in the report. I am particularly happy with the number of rail lines that were proposed to be transferred to the permanent network. There are some in my part of the province, and I can assure the Hall commission of the satisfaction with which those recommendations were received.

The establishment of a prairie rail authority is another recommendation that will serve to bring to western Canada some authority. Whether it is still linked with CTC or not remains to be decided, but certainly the authority and responsibility for those lines should be placed in western Canada.

I wish to express again appreciation to the official opposition for moving this motion to endorse the Hall report, and to say that this resolution certainly has my full support.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, together with other members of the House I am indeed eager and happy to take part in this debate on the Hall Commission report. Coming from a riding such as mine where perhaps 75 per cent of all the agricultural grain products are exported, the recommendations of the Hall Commission are very important to me.

As I mentioned previously the problem of the rationalization of the grain handling industry is very real. One has only to go to the Palliser wheat growers' conventions or other such conventions to realize that, in comparing the ability of Canadians and Americans to move grain in approximately the same conditions, most experts would say that we are probably ten years behind the Americans. While this does not necessarily impair our ability to export grain, until we make the necessary rationalization and expenditures, western farmers will be at a disadvantage in comparison with their American counterparts who are their main competitors, particularly in periods of good crops and high production and a depression on world markets, which is the case at present.

I would like to confine my remarks primarily to the port of Churchill as an added outlet for prairie grain. Although I believe the most important part of the report deals with rationalization, I must say that in my part of Manitoba the outline given by the Hall report seems to be particularly good.

● (1750)

The export of grain is vital to the farmers of western Canada, and there are really four main avenues by which the grain can be exported to the world. The first and oldest has been via Thunder Bay-Montreal and through the St. Lawrence ports and the port of Halifax. That route still takes 55 per cent of export grain.

Another main avenue has been through the west coast ports of Vancouver and Prince Rupert. There have been problems with the mountainous terrain, snowslides, and general congestion caused by superimposing on a system built some years ago the burden of a flow of grain that has become much larger due to the increase in trade with the Pacific Rim countries.

A third route has been through Churchill, the oldest route by which trade reached the prairies from Europe. It is one that has not been exploited to its fullest.

The fourth route is to the south through the Mississippi River system. Many feel that perhaps that route would be the best, if not the cheapest, if politics had not cut off its use. I think a small amount of exports go that way; exports of flax, malting barley and, of course, more might go that way.

Events in Quebec have brought much more sharply into focus the possibility of exporting grain shipments through Churchill, should there be any change in the outlook in that province on the export of grain. Certainly the major grain companies have large installations on the St. Lawrence, but the premier of Quebec has indicated that he would attempt to use all the leverage possible to extract from the grain trade as high a toll as could be levied. He regards the St. Lawrence Seaway as being very important for his province in dealing with the rest of Canada with regard to trade and other problems.

The port of Churchill has never had a fair shake from the transportation autorities of Canada. It is obvious that transportation interests in Montreal have never wanted the port of Churchill to become an important shipping centre or to develop in even a modest way so that it might provide a reasonable alternative for the export of prairie grain, and one cannot particularly blame them for this.

Churchill was one of the first areas in western Canada which was a prominent base for Europeans. They established a port there in 1689, and a route from York Factory to Winnipeg flourished until the building of the Canadian Pacific Railway. It is to the credit of western farmers that they recognized early the great mileage that could be saved by the use of this route. It is closer, incidentally, than Thunder Bay is to most of the prairie region areas. The saving from Regina to Liverpool via Churchill is 1,000 miles over the Thunder Bay-Montreal route.

As early as 1885 expeditions were sent to investigate the building of a railroad, and finally Sir Wilfrid Laurier promised the Hudson Bay Railway. The railway from The Pas to Churchill, interrupted by the war, was started in 1911, and finally reached Churchill in 1929. The weight of the steel originally used was 80 pounds, but this was upgraded to 100 pounds, and work to upgrade this is expected to be finished by next year.

At Churchill the capacity of the grain terminal is five million bushels. Due to ice, the navigation season is restricted to approximately three months, from mid-July to mid-October. In recent years other bulk commodities such as sulphur have been added to the list of exports.

The proximity of the port of Churchill to the many producers of northern Manitoba and Saskatchewan has led prairie people to push for greater utilization of the port. Indeed for many producers the port of Churchill is not much more than half the distance to Thunder Bay. The Hudson Bay Route Association has been instrumental in promoting greater use of Churchill, working, generally speaking, against the great indifference of the government, which is interested in preserving the port of Montreal.

The port of Churchill has certain disadvantages. One is that it is served only by the CNR and that there is no interchange of grain traffic to CP rail lines, although CP Rail is in the area. Studies undertaken by the two railways seem to indicate that there would be no savings brought about by the use of inter-rail exchanges. However, this seems to be doubtful, and one wonders if the railways conveniently found a way out because they were not interested in providing a true statement of what the situation was.

The Dominion Marine Association, based in Montreal, also strongly stated that the utilization of Churchill had reached its limit and that funds should be directed elsewhere to improve the efficiency of western Canadian grain shipments. However, I think they were definitely biased.

There are several pluses already going for the virtues of Churchill grain shipments. First, the CN rail line is in position and will soon be able to accommodate 100-ton hopper cars. Second, the Churchill terminal, with a five million bushel capacity, and almost as large as the largest anywhere in the country, is in good condition. However, it needs improved gallery belt capacity. In the 1976 season it handled 28 million bushels of grain, or a ratio of 6 to 1 in a three-month period. Improved technology could further eliminate the risk of ice. Furthermore, increases in Seaway tolls, or shipping disturbances in Montreal would make the Churchill route an attractive proposition.

Better sales planning by the Canadian Wheat Board and the filling of the terminal with clean grain would aid grain movements. Furthermore, the CP Rail study indicates that a saving of 762,000 loaded car miles over Thunder Bay is possible through interchanges, one at Tisdale and one at Yorkton, that is, interchanges between the CN and the CP.

There are some constraints. Cargo and haul insurance is still the same as that charged since 1956, even though technology has improved immensely since then. There are also constraints on the delivery system over the CNR, with the need for sidings on the Herchner and Thicket subdivisions, and a long track at Churchill. This would seem to indicate that with the use of hopper cars the rail capacity could be increased to 55 million bushels annually.

There was a great deal of dismay in western Canada when it was announced that the CN would not upgrade its work this year. That work had been planned for this part of the track. Obviously CN management, based in Montreal, has no concept of the needs of the western region, and I think CN did a great disservice to western Canadians when the management in Winnipeg was transferred to Montreal some years ago.

Furthermore, handling capacity could be increased by the use of pre-cleaned grain. The tight shipping schedule has limited the type and variety of grades to one or two. Also, some dredging and increased gallery conveyor capacity would accommodate considerably more use of the port of Churchill.

All of these are improvements which could be carried out with relatively small expenditure increases, when we consider some of the expenditures which are now undertaken. From the western Canadian point of view the administration set up—

The Acting Speaker (Mr. Turner): Order, please. It being six o'clock I do now leave the chair until eight o'clock.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Ritchie: Mr. Speaker, before the dinner recess I was about to mention the difficulties of the Port of Churchill having to make representations to the National Harbours Board through the same persons as those responsible for Montreal and Thunder Bay. Obviously Churchill will get short shrift.

The great port of Churchill which is very important to the autonomy and the independence and stability of exports of western Canadian grain, could also be used for sulphur, potash and other commodities. With the cost of transportation rising—and probably it will rise more steeply than other factors in the years to come—every effort must be made to ensure that our transportation resources are applied in the most effective and efficient manner. It should not be possible for the interests of the port of Montreal to hamper increases in transportation of grain that could be brought through the Churchill route.

Furthermore, the general feeling is that coal and other bulk products will overload the railway system in the next few years so that it may not be possible to ship all grain needed on the railway lines, at least when it is most opportune. Western premiers at their recent conference in Brandon called for the increased use of Churchill.

It seems important also that the provincial government of Manitoba, either by itself or in conjunction with the province of Saskatchewan, should proceed with the road to Churchill. The highway is already in place for much of the way. I understand that, from an engineering point of view, construction of the highway for the last 200 miles or so would be fairly easy.

The grain growing area, starting at The Pas in Manitoba and some of the Interlake country, would be less than 500 miles away, and when it is considered that trucking in the United States carries grain 800 to 1,000 miles in competition with the railways, a highway would make some good sense. Further, due to the long winter months and the freezing of the ground, the restraint factor on truck loads would not be nearly as great as it would be farther south. No doubt the shipping season at Churchill could be extended substantially. According to the most modest forecasts it could be increased 27 per cent. If icebreakers could be used, as in the St. Lawrence Seaway where the port of Montreal is, all year round, it seems likely that the shipping season could last six months.

• (2010)

The use of the port of Churchill has not been without its problems. CN rail lines have provided the port with its only rail service. This has meant that grain has been retained in northern Manitoba and north eastern Saskatchewan until the opening of the Churchill shipping season. The result has been that many farmers have been unable to deliver their quotas of grain until almost a year after their harvest and this has created hardships.

The Hall Commission seems to have worked out a logical solution to much of this problem. The idea of shipping precleaned grain to Churchill has much to commend it, and the use of Saskatoon and a new facility at Yorkton for carrying clean grain to Churchill would make a great deal of sense. It is estimated that the throughput of grain could be increased so that between 55 million and 60 million bushels could be put through with very little trouble.

The plan would also mean that CP rail blocks in the area would contribute to the total quantity of grain available for shipment. It is estimated that the area served would produce 240 million bushels so that, even if 60 million bushels were shipped from Churchill, the inconvenience of delayed quotas would be restricted. As well, the Saskatoon government terminal for cleaning grain is presently underutilized and the Hall Commission feels it could provide 30 million bushels of clean grain for Churchill during the season.

I am most intrigued by the possibility of Yorkton elevators providing another 30 million bushels of clean grain. It would have been nice to have the facility in Dauphin; I appreciate that that locality perhaps is not the most advantageous spot for it. Both railways would serve the Yorkton facility. In addition, the Hall Commission suggested that the use of screening in the general area of livestock feeding would be of advantage. The present situation has always seemed rather ridiculous. Dockage for which farmers are not paid is hauled to market and farmers are penalized for added weight. That is ridiculous.

I believe one of the factors militating against the enthusiastic use of Churchill has been this: if the grain handling companies send grain to Churchill, they deprive their terminals at Thunder Bay of revenue. Perhaps some way may be found whereby grain handling companies could have a share in the revenue accruing from the use of Churchill.

It also occurs to me that, instead of the Canadian government building the new elevator at Yorkton, one of the grain handling companies, private or co-operative, or even, hopefully, a consortium of both could build it. Although some resist hauling the grain long distances, many farmers would be happy to haul to a central terminal in Yorkton, say, particularly if the added efficiency of the handling system were compensated for in the prices received for haulage and convenience of delivery.

The use of Churchill is a symbol to the grain growers of the eastern prairies. Mr. McMillan, a farmer, had this to say at the annual meeting of the Hudson Bay Route Association:

If I am to increase my production, as I am being urged to do for moral and humanitarian reasons, and in the process, maintain a viable farm enterprise, it is essential that I have adequate port outlets to accommodate this increased tonnage. The Port of Churchill has the potential and strategic location to be such an export outlet.

A further indication of the thinking of many westerners on the value of the Churchill route can be noted in resolution 6, passed at the 33rd annual convention of the Hudson Bay Route Association held in Regina on June 21 and 22, 1976. It states:

WHEREAS a successful movement of 30 million bushels of grain through Churchill during the 1976 shipping season, could mean an extra 3 to 4½ million dollars for western grain producers and the western economy, and

WHEREAS the imposition and increase in tolls on the St. Lawrence Seaway soon to be imposed, will make the strategically located port of Churchill the most advantageous, competitive and rewarding eastward facing port for the export of western Canada grain.

THEREFORE BE IT RESOLVED THAT this 1976 convention of the Hudson Bay Route Association go on record as requesting the Government of Canada, its agents, grain merchants and others involved to prepare and execute action to maximize grain shipments through Churchill over the longest possible season.

I hope the government will soon put that resolution into effect.

Hon. Jack H. Horner (Minister without Portfolio): Mr. Speaker, I rise to participate in the debate on the recommendations of the Hall Commission on Grain Handling and Transportation. First, however, may I say how pleased I was this afternoon to hear the right hon. gentleman from Prince Albert (Mr. Diefenbaker) speak. I was greatly pleased because I saw a revival of spirit within the Conservative party. It was a grand old party, a party I once upheld greatly. I have been feeling somewhat sad lately because the present leader and the party seem to be in such a shambles. This afternoon the party seemed to rally around that grand Canadian who addressed the House on the question we are debating. That pleased me greatly. I think the House saw a little of the old form which Mr. Diefenbaker used to show in this House.

Some hon. Members: Order.

The Acting Speaker (Mr. Turner): Order, please. I suggest that the minister should refer to members of this House by riding, not by their personal names.

Mr. Horner: Mr. Speaker, I stand corrected.

Mr. Mazankowski: This is the minister's maiden speech from the opposite side of the House.

Mr. Horner: The right hon. gentleman spoke in many debates; this afternoon we saw him in his old form again. For a minute or two I saw a little glimpse of the spirit of the Conservative party which has not been evident in recent months, or even recent years. Apparently the Conservative party, not having been able to develop policies on anything, are greatly pleased because they discovered in the last weeks two reports they could endorse. Someone is making policy for them. That, too, has enhanced their spirit. Finally they have found someone who can make a policy for them.

Mr. Baker (Grenville-Carleton): How are you getting along with your new buddy, Otto Lang?

Mr. Horner: As I listened to the right hon. gentleman and the hon. member from Qu'Appelle-Moose Mountain (Mr. Hamilton) I wanted to hear some suggestions for solutions, or some suggestions regarding the Hall report, but neither of those hon. members dealt with the Hall report to any great extent.

Mr. Whelan: Shame!

Mr. Horner: The right hon. gentleman from Prince Albert mentioned the railway to the north. It will not move much wheat for a year or two to Hay Lake. But you never know; it might. Really, I do not think Mr. Justice Hall went very far outside his terms of reference. He heard briefs from all over the prairies. Prairie people have always been interested in all parts of Canada and in developing Canada. No doubt some of them suggested building railways to the north, and no doubt Mr. Justice Hall examined the 13-volume study on that question.

No speaker opposite really dealt with the Prairie Rail Authority, or the 2,165 miles of track which is to be abandoned immediately. Nobody said that that was too much or not enough. I suppose, since 90 per cent of the track up for abandonment in the province of Alberta is in the constituency of Crowfoot, I could be excused for being vitally interested in the track which will be abandoned between the present and 1980. Actually, I am interested in the 2,344 miles of track which is to come under the Prairie Rail Authority. I wanted to hear the opposition speak on this. Is that enough track, or too much? Should the Prairie Rail Authority be a self-liquidating board? Should it go out of existence in 1990 as Mr. Justice Hall suggests? Should it have only a term life of some 12 years? The opposition does not know, although Mr. Justice Hall himself suggested that. The opposition has not directed its attention to that question. My opinion on that question is yes, it should have a term life. However, other speakers may express their views on this question.

Should that rail authority be a three-man board, as Mr. Justice Hall suggests, appointed by the federal government, or should some provinces have some representation on that board? It would have to be worked out with the provinces as to whether it should be other than a three-man board and whether there should be some provincial repesentation on it. Hall suggests that when a main track in the 2,300 miles is up for abandonment a provincial representative should sit in on those hearings as well as a municipal representative. You do not develop expertise in railroads in that way. You do not get a continuing knowledge being carried from one abandonment to the other. If that were the case, it would happen in the next 12 years with regard to the 2,344 miles. I do not think that is the best solution.

It would be better to have a larger board to start with, which has some provincial representation on it. I say that because much of the duties of the prairie rail authority will be to direct funds to either a highway, railway, railway maintenance or, as Hall says, the upgrading and rehabilitation of a railway track. It would be better to have knowledgeable people continue to sit on the board.

● (2020)

While the Hall Commission report is terrific and may well become the bible for prairie transport problems, it is not the absolute answer to all questions. It leaves many questions unanswered. I have mentioned a few with regard to the prairie rail authority.

I say to my friends in the Conservative party that the government does not have all the answers. We would like them to assist by offering suggestions rather going back to the year 1962.

Mr. Mazankowski: What is the role of the opposition, Jack?

Mr. Baker (Grenville-Carleton): Where is the speech you used to make in opposition?

Mr. Horner: Some members of the official opposition tend to live in the past.

Some hon. Members: Hear, hear!

Mr. Horner: The hon. member for Dauphin (Mr. Ritchie) referred to the port of Churchill. I concur in much of what he said in that regard. The Hall report suggests a terminal elevator at Yorkton to clean the grain. That is a good suggestion, one that is worthy of a great deal of study. I can assure prairie producers that the government will take a long hard look at that suggestion.

The suggestion that there be a CP hook-up for CP rail cars to go to Churchill is good. If any saving can be made in the transportation of grain, it should be looked at.

There has been no mention of the Hall report suggestion of a northern development authority in Alberta. That is a very novel idea. I believe it agrees with the thinking of the Alberta government. Therefore it is worthy of a great deal of merit.

I would like to see the northern development railway have a hook-up with the BC railroad. It should be used primarily to feed the Prince Rupert port which could then be used to greater extent.

The Hall report suggests a greater utilization of cars. His findings with regard to car utilization and the car cycle have been clearly evident for some time. The railroads, the government and the grain industry would welcome any constructive suggestions to speed up the car cycle. The cars sit on the railway track 25 per cent of the time empty, and 27 per cent of the time full. The report says that while they are sitting, they are not working. The complete cycle takes too long. The cars ought to be moving in some direction.

The fundamental problem of getting grain into Vancouver has long been known to me and to many prairie people. There is a very interesting recommendation in the Hall report, at page 223. It deals with the Fraser River Bridge problem. It is owned by the government, but the controller of the traffic on that bridge is a despatcher out of Seattle. If what Hall says at page 223 is true, a lot of improvements could be made in that direction. It would improve the car utilization problem a great deal.

Mr. Hall dealt with the Crow rates. Many members spoke about them. Anyone who knows anything of my political history knows that I have defended them throughout the 19 years I have been in this House. I will, of course, continue to defend them.

The Hall report does not really give an answer with regard to what should be done about moving finished products. At page 309 he says they should move at the same rate, but he does not say how a railway should be provided with the revenue and what effect this will have on the finished products. At page 309 the report states:

> The Commission recommends that freight rates on livestock and meat be set at levels which do not discriminate against the natural locational advantage of prairie livestock producers and processors.

What do the words "natural locational advantage" mean? How do you arrive at that? How do you maintain that? If the opposition has any solutions to offer to that problem, they would be welcomed on this side of the House.

The report refers to a terminal rail authority. However, Mr. Hall tends to reject the terminal rail authority, preferring a controller with power. There is really a very fine difference indeed. I would think that a permanent rail authority directing traffic into and out of Vancouver would have some power. A controller with power might well turn out to be a terminal rail authority. He really does not define how that power should be exercised, whether it would have authority over all commodities going into Vancouver, or just grain.

The report talks of a railway to the north, something that is particularly pleasing to me. The hon. member for Kingston and the Islands (Miss MacDonald) and the right hon. member for Prince Albert (Mr. Diefenbaker) agree on one thing at least, a railroad to the north. I find it interesting to see them agree on that.

There are many other questions that arise out of the Hall report. There is the whole question of the malting barley business and how to develop the processing business in western Canada without some kind of subsidy. The report does not go into that.

This is a very good report on railway problems in western Canada and on the movement of western Canadian goods to export markets. However, there are still many questions yet to be answered. I will be particularly pleased to help answer some of these problems when they come up.

I am pleased that the Minister of Transport (Mr. Lang) has said that he is prepared to accept the abandonment of the 2,165 miles, and that the other 2,344 miles will be safeguarded

until January, 1979. That gives the government ample time to discuss with the prairie governments the feasibility of setting up a Prairie Rail Authority, and whether that rail authority should handle the abandonment or upgrading of the 2,344 miles which Hall leaves in a state of limbo until 1990.

● (2030)

These questions will come up, for example, whether or not that rail authority should have the right to restrict the location of elevators along those lines. Some of the elevator companies are not too happy about that, and I note that members opposite have not given any clear expression of their views with regard to it. I believe the rail authority should have a great deal to say as to the location of these elevators on that 2,344 miles, but I have some reservations as to whether it should be the final authority.

In any case, I want to say that Mr. Hall has done western Canada a great service. He has produced a document which will enable the government to move forward with a transport policy which will greatly help the region. If we can iron out some of the difficulties which we see and which Mr. Hall sees, I believe the west will be well served.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I, too, welcome the opportunity to enter this debate on the motion of my right hon. friend from Prince Albert (Mr. Diefenbaker) whom I commend for his excellent presentation.

I am pleased to follow the maiden speech of the latest addition to the Liberal cabinet, the Minister without Portfolio, my hon. friend from Crowfoot (Mr. Horner). I was most interested in his comments about certain policy positions taken by the Progressive Conservative party. I have in mind particularly his reference to the absence of policy within this party in the area of transport. Most members of the House recognize that the hon. gentleman himself had a lot to do with the position taken by this party in the area of transport, and if there is any absence of policy it should be pointed out that in that area the blame rests squarely on his shoulders.

Some hon. Members: Oh, oh!

Mr. Mazankowski: I must say we probably learned more about his reaction to the Hall Commission Report than we did from the two previous speakers for the government. I am not sure whether he was expressing the government's view, but at least we know from his presentation that he finds some good points in the report as well as some bad points. It is hard, though, to determine whether he is for or against the principal recommendations in the report. Indeed he raises more questions than he answers. Possibly, for clarification of the points raised both by him and by members on this side, what is required is a reference to a committee where some of these questions could be examined further.

I wish to associate myself with other members who have spoken in commending the work of Mr. Justice Hall and his fellow commissioners on what I consider to be a thorough and comprehensive analysis of grain handling and transportation in western Canada. In addition to examining those particular fields the Commission has gone further by taking into consideration certain fundamental social and economic questions. We have learned from the report that in spite of the attitude taken by the government to western Canada there is still a sense of optimism there, and faith in the future of the region. This document may well become a charter for the economic development of western Canada founded upon our most important industry, that of agriculture. It might even be described as a "Way Ahead" for western Canada. That future depends primarily, of course, on government actions with respect to the major recommendations in the report.

We in western Canada realize that the aspirations of westerners in seeking redress with respect to transportation inequities, fairer treatment within Confederation, and increased potential for economic development, have for too long been based upon hope followed by a series of letdowns. There have been nothing but raised expectations followed by disappointments and frustrations. One of the most recent of these disappointments was the Western Economic Conference which was conceived as an act of political necessity. Many of the promises made at that conference remain unfulfilled to this day and we see in this very report which we are debating tonight a repetition of commitments which were made at WEOC, for example, the importance attached to the increased utilization of the port of Churchill. This was agreed upon at the Western Economic Opportunities Conference.

Then there is the recommendation for increased utilization of the port of Prince Rupert. Again, this was agreed upon at WEOC and repeated in the Hall Report. Hon. members will have seen the recommendation with regard to the Ascroft-Clinton rail link. This was not only agreed to at the conference but had been promised by the former minister of transport in this Chamber, in committee, and on the hustings on various occasions. We now find it in the recommendations contained in the report of the Hall Commission.

It was agreed at the conference to identify and remove discriminatory freight rates, for so long the plague of Western Canada. Once again this is the subject of a recommendation in the Hall Report. The establishment of freight rate groupings was another promise made at the conference. It was a recognition that freight rates have a direct effect on the economy of western Canada especially with regard to the processing of agricultural products. This was one of the commitments made by the government at the Western Economic Conference and it is summarized in a document called "A Report on the Western Economic Opportunities Conference." This is what the premiers of the western provinces said:

> In our judgment the greatest single impediment standing in the way of development of Western Canada's full potential is transportation freight rates which discriminate against the West. That discrimination is occurring at present under the National Transportation Act and we seek a change in that Act to remove discrimination against the West. We believe the federal government agrees with us that freight rate discrimination against the West should be removed and we believe we have received an undertaking from the federal government to do that.

Well, new transportation legislation has been introduced this session. Some will say that it provides a mechanism by which

to overcome the anomalies and inequities mentioned. But if we are to believe the words of the Minister without Portfolio there is really little hope that this will be the case. Speaking on that bill as a private member from this side of the House he said:

I believe this legislation takes the government from the mess it was in and puts it in another mess.

If that is an accurate description of this piece of legislation we really do not have much to look forward to.

If the government had fulfilled the commitments it made at the Western Economic Opportunities Conference the Commission's report would have been altogether different in terms of its contents and its recommendations. I believe very profoundly that if the major recommendations of the Hall report are implemented it could very well serve as a catalyst to propelling the west into its mature stage of economic development. This is why we on this side feel so strongly about this report and have brought it forth for debate. It is an important issue and we feel there should be no delay in the implementation of this report.

● (2040)

We believe there is a time for decision and a time for action, and that the action should take place here in the House of Commons. We do not need any more conferences, studies, task forces or other groups. We have had Snavely, Hall, and WEOC. The time has now come for action. It is not the responsibility of the opposition to initiate that action; it is the responsibility of the government to take action to implement the recommendations of the Hall report. I want to reinforce that contention as strongly as I can.

In his contribution to the debate this afternoon the Minister of Transport (Mr. Lang) made quite a political speech. He cited all the so-called good things which he has done for the west, and then he turned around and blamed the Conservatives for the fact that western Canada is mad at him. He spoke about a number of things, but he also omitted to mention a few others. He failed to mention the LIFT program. He failed to mention that his government followed a bible of agricultural policy known as the "Task Force Report on Agriculture," which was written by a group of economists, professors and accountants, and did not include one farmer. The major thrust of the agricultural policy of the former minister of agriculture came from that document. Out of it came the LIFT program, the stabilization program, and the marketing bill which caused a great deal of consternation across the country. The minister also failed to recognize that the second stabilization program which was brought in was a much improved version of the first one which he tried to ram through the House, attempting to buy off the western farmers using their own money in doing so.

The minister did say something positive and concrete, however. He announced that 1,813 miles of the 6,283 miles of line up for review will be transferred to the basic network, and that the freeze on 2,344 miles has been extended to January 1, 1979. We welcome that announcement.

We might ask, Mr. Speaker, why did we have a royal commission on this particular issue in the first place? The fact on the matter is that the commission was set up essentially to review and to sort out the 6,283 miles of branch line which were placed in the questionable category. The decision had to be made which lines should remain as part of the basic network and which lines should be abandoned. It was not an easy task. Because it was not an easy task and because it was an issue which was politically too hot to handle, the government decided to choose a royal commission to do the job. This royal commission has now brought forth its recommendations, among which is the recommendation that 2,165 miles of line be abandoned.

There is no question that the abandonment of these lines will cause a great deal of hardship to a number of communities and producers. There is no question that some areas have been dealt with rather harshly. But we have to recognize that rationalization on the part of the elevator and grain companies was taking place anyway, so that the blame cannot be laid solely upon the railways.

I am also concerned about the continuing uncertainty regarding the 2,344 miles of line which will be administered by the Prairie Rail Authority. Here too the grain companies will have a very large part to play in the success or failure of those particular lines.

Be that as it may, I think the commission approached this whole problem of abandonment in the most humane way possible. They tried to minimize the pain, distortion, and disruption which will take place as a result of the abandonment of these lines. The minister expresses concern about added costs. It should be pointed out that, as a result of the abandonment proposed by Mr. Justice Hall, elimination of these lines will result in a considerable saving to taxpayers. If I may quote from the *Western Producer* of May 19:

The elimination of some 2,160 miles of branch line railways in western Canada will save the Canadian taxpayers about $400 million, Chief Commissioner Emmett Hall told a May 16 press conference in Saskatoon following tabling of the grain handling and transportation commission report—

Rather significantly, the *Western Producer* goes on to say:

Regarding the federal government's proposal to build an additional 2,000 grain hopper cars at a cost of $80 million, Mr. Hall said while these may be needed some time in future, they are only "make work" projects for eastern industries and do not represent one additional dollar of revenue for western Canada.

We get the impression that it is all right to spend taxpayers' money in eastern and central Canada—the minister concurs with that—but he is very worried about subsidization of the Crow rate as it applies to western Canada. It is a very strange way for a minister from western Canada to react. More important, the report has come forth with some very positive proposals to improve and rationalize the grain handling and transportation system, a system which has deteriorated and become antiquated over the years. Certainly rationalization and improvement are long overdue.

Some will suggest that the commission went beyond its terms of reference. As a matter of fact the Minister without Portfolio, who has just spoken said he did not consider that the Hall commission went beyond its terms of reference. The Minister of Transport suggested that perhaps it did. Whatever

opinion we choose to listen to, the fact of the matter is that as Canadians, and particularly as parliamentarians, we should be extremely grateful for the work Mr. Justice Hall and his fellow commissioners carried out. Unlike any other commission, this is probably the first time that we have had a grassroots opinion documented in such a comprehensive way. Perhaps it is the most democratic report ever documented. But because it is a grassroots report which has been prepared in the most democratic fashion possible is no reason why the report should be suppressed or smothered by politicians or bureaucrats.

In large measure the major contents of this report clash with present government policy. The report alludes to many important aspects of the grain trade, and furthermore it covers many important aspects of the potential economic future of western Canada. As has been pointed out previously, the report reaffirms the principle of statutory rates. I should like to place on the record a passage in the Hall commission report at page 545 which states this recommendation in very clear and concise terms:

The Commission recommends:

(1) The retention of the Crow's Nest statutory rates.

Not the "statutory rates", Mr. Speaker, but the "Crowsnest statutory rates".

(2) That the difference between the statutory rate and the cost of transporting grain be paid directly to the railways.

The wording is clear and concise and beyond question.

Secondly, what this report does is destroy what I refer to as the "Lang user-pay concept". I think it knocks that concept full of holes.

● (2050)

The report has exposed the failure of the Canadian Transport Commission to hold the railways responsible in the maintenance of their branch lines and in the administration of their subsidies. It has pointed out the fact that the Canadian Transport Commission has failed to compel the railways to carry out repairs and to provide the kind of service which was their responsiblity under the provisions of the Railway Act. It also points out that the Canadian Transport Commission refused to provide certain pertinent information to the commission. I think the minister should take a very close look at that because I believe the Canadian Transport Commission is not only compelled to provide this information, but it agreed to do so. That was a commitment which was made by the president of the Canadian Transport Commission before a committee of this House of Commons.

The Commission cites the failure of the railway to discharge its responsibilities. I would like to quote page 23 which reads as follows:

The Commission views with concern the action of the railway to render service in keeping with the convenience of the carrier rather than service as required by the public and in keeping with the intent of the laws of the land.

There is nothing new in that. It has been stated over and over again in this House and in committee. That is another area which needs some quick and serious attention. The Commission confirmed the fact that transportation must be a tool for economic development. In my view, regional disparities will continue to grow, unless deliberate efforts are made to reduce them. One of the logical tools for achieving a reduction of those regional disparities is by providing a fair and equitable transportation system—efficient, effective and safe.

I want to emphasize the fact that the commission made specific reference to the treatment of the malting industry, the flour industry, the rapeseed industry, and the livestock processing industry. I am not going to quote the pertinent sections because at page 534 of the report it is clearly documented. In all cases the commission emphasized the fact that the production and processing of agricultural products should take place in the regions of this country which have a natural geographic advantage for such activities. It is rather odd that the Minister without Portfolio finds that unclear. It simply points out that if you are going to process rapeseed in Canada it should be processed where it is grown. That is what Mr. Hall was saying. He is suggesting the same thing with the flour industry and the same thing with the malting industry.

I am not sure what the minister intends to do with one particular recommendation. Perhaps it is an area that can be considered by the Standing Committee on Transport and Communications. I am referring to the very important recommendation having regard to the Prairie Rail Authority. This body will be a very important mechanism in determining the future of the 2,344 miles which are still under review—whether they will fall into one class or another. The unfortunate part of the 2,344 miles is the fact that there will be a period of uncertainty as to whether the line will stay or whether it will go. As the minister who spoke before me indicated, it may very well be logical to establish a prairie rail authority which has continuing powers similar to the CTC.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with unanimous consent. Does the hon. member have the unanimous consent of the House?

Some hon. Members: Agreed.

Mr. Mazankowski: Mr. Speaker, I shall not abuse the courtesy of the House. I appreciate being given the opportunity to conclude my remarks.

The recommendations having regard to the improved rail car utilization are very valid and could be acted upon very quickly. Utilization of the inland government terminals is certainly a very valid and worthy consideration. A controller with power, as described at page 222, is another important consideration. An improved co-ordination of the rail operation in the port of Vancouver, which has become a serious bottleneck, is another important consideration.

The commission points out that railways must be compensated for delivering reasonable service, but in turn the railways must accept their responsibility in ensuring that service is provided with all reasonable dispatch; that lines are maintained and upgraded in a safe and functioning condition; and

that the basic infrastructure remains solid and on a good foundation. This is certainly an area we must act upon because most of us who come from western ridings will realize railways have not discharged their responsibilities as they are obligated to do under the provisions of the Railway Act. Someone must be in a position of authority to ensure that that service is carried out on behalf of the western farmers, and indeed on behalf of all Canadians.

In summary, this report in many ways highlights the failure of the government to come up with feasible and equitable policies for western Canada to achieve its legitimate aspirations. The report suggests, and in fact may even demand, that it is time we in this House realize it is the responsibility of the government to take the initiative. I am sure it will find support on this side. It is time the government recognized the shortcomings which have plagued western Canadians and set out to establish and proclaim a new industrial strategy for western Canada based upon the recommendations of the Hall Report.

Mr. Speaker, we have the report. It is the responsibility and the duty of the government to respond, to act, and to do this without political motivations. I would hope it would do this as required and not simply for political maximization. It is time for decision. The report should not be allowed to gather dust. The government must not procrastinate. It is a grass roots report. The Commission has patiently and diligently sought out all those who wanted to be heard, and now it is the duty of the government to act. I am sure if it acts it will find this side of the House will support it in overcoming the barriers, the inequities, the discriminations, and the shortcomings of the transportation system which is so vitally important to the future and the economic lifeblood of western Canada.

Some hon. Members: Hear, hear!

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the report of the commission headed by Mr. Justice Hall dealing with grain and rail in western Canada is similar to the earlier report of the commission headed by Mr. Justice Hall which dealt with health services. The report's recommendations will play an important role in the life of western Canada for generations to come.

We in the New Democratic Party support the basic principles which Mr. Justice Hall and his commission recommended. That is why we support the motion put down by the right hon. member for Prince Albert (Mr. Diefenbaker). Realizing the complexity of the many recommendations made by the Commission, we have singled out three particular aspects of the recommendations: first, that the Crowsnest rates be maintained; second, that the principle of the Crowsnest rates be extended to agricultural products processed in western Canada; third, that the utilization of the ports of Churchill and Prince Rupert be increased.

● (2100)

I believe that the Hall Commission has laid down a new socio-economic charter for western Canada. It has told both the federal government and the railways what their responsibilities are and what is required to redress the wrongs which have been done to western Canada over almost a century. What has the Commission said? It has said that it wants the retention and even the expansion of the Crowsnest freight rate. I know that there are some members of the House, and certainly many people in Canada, who do not know what the Crowsnest agreement was. So, for their information, let me summarize what that agreement says.

The agreement, made in 1897 between the Canadian Pacific Railway and the Government of Canada, had three main provisions. First, the company agreed to build a railway line from Lethbridge to Nelson, B.C., crossing the Rockies through the Crowsnest pass. Second, the government agreed to subsidize the line to the extent of $11,000 per mile, which worked out to a total of $3,400,000. Third, the company agreed to reduce freight rates on certain specified commodities between eastern and western Canada, the most important of which were grain and flour eastbound to the lakehead for export and farm implements westbound to the prairies. In return, the company received a land subsidy from the government of B.C. for building part of the line, and the deal with Ottawa made it possible for CPR to take advantage of that deal. The CPR estimated before the MacPherson Commission some years ago that the revenue it received from Cominco, which was on land which the CPR got as a result of that deal since Cominco was formed as a company in 1906, amounted to almost $250 million. If you calculate what they have taken in since then, you arrive at a figure of over $350 million.

So anybody who thinks that the CPR got taken is, of course, completely wrong, and we see no reason why the CPR, having made a deal from which they did very well at the expense of the people of Canada, should not be required to continue with that deal. We think, therefore, it is reasonable that the statutory rates be continued. My colleague, the hon. member for Yorkton-Melville (Mr. Nystrom), dealt with that earlier this afternoon.

The commission also said that the responsibility for the future use of prairie rail lines should be taken away from the railways and the Ottawa based Canadian Transport Commission and given to a separate prairie based organization. We support that. We have been, to say the least, critical of the somewhat incestuous relationship which we believe has continued for far too long between the railways and the CTC.

Lastly, the Commission recommended that western Canada get a better opportunity to diversify and expand its economic base. I want to spend most of the time which I have left dealing with that last recommendation, but before I do that I think we should get something clear. The Minister of Transport (Mr. Lang) and the Minister without Portfolio (Mr. Horner) have spoken about how they agree with the recommendations made by Mr. Justice Hall. It is pretty obvious, as one reads the report and its recommendations, that the commission is against the user-pay transportation policy which has been enunciated and argued for by the Minister of Transport since he took over that portfolio. The commission is saying that grain is such an essential key to the country's future

prosperity that its transportation must be subsidized by the people of Canada as a whole.

It is interesting to compare the recommendations of the Hall Commission with the recommendations made by the four western premiers, coming from different political parties, which they made after the Western Economic Opportunities Conference a few years ago. Those recommendations, despite early endorsement by the then minister of transport who said publicly that transportation in Canada was a mess, have been almost completely ignored by the present Minister of Transport and the government. I think it is ludicrous for the Minister of Transport to be saying now that he accepts the recommendations of the Hall Commission when in fact he has been ignoring those same recommendations which have been made by the western premiers.

As I said, I want to deal in the main with one aspect of the recommendations made by the Hall Commission, that is, the recommendations made in the field of economic development. The key recommendation is summarized in Mr. Justice Hall's report on page 277, and I want to read just the paragraph in which he summarizes the principle in which he believes and which he recommends. Then I want to give some of the reasons and some illustrations of why he came to the conclusion which he did. This is what he said at page 277 of the report:

(2) The production and processing of agricultural products should take place in regions which enjoy natural locational advantages for such activities. Freight rates and other transport related policies should not destroy these natural locational advantages.

It is not surprising to me that in a country as large in geography as Canada ministers of transport who were elected from other regions of Canada, particularly those who came from Ontario or Quebec, should not understand the needs of western Canada or indeed of Atlantic Canada, and should not promote policies which would be helpful and advantageous to western Canada. But it constantly amazes me how this Minister of Transport, coming as he does from the province of Saskatchewan, should have consistently, and almost from the day on which he took office as Minister of Transport, enunciated and put forward policies which have been and are detrimental to western Canada. One needs only to read quickly through this chapter of the Hall Commission report on economic development and to compare what he says with what the minister has been doing to see how correct I am in what I am saying.

Mr. Hall pointed out that an analysis of the freight rate structure confirms that the prairie provinces have been victimized by discriminatory freight rates from the beginning. It goes on in this chapter to show in detail how that discrimination has continued right until today. He says:

Since early development the thrust has been to move raw materials to industrial central Canada for refinement and consumption . . .

The continuous shift of an ever increasing proportion of the population to urban central Canada has been aggravated by the retention of policies which favour maintaining the west as a source of raw goods, and carrying out processing next to the populous centres of the east.

[Mr. Orlikow.]

• (2110)

That population drift has continued for generations in western Canada, certainly in the three prairie provinces, with the exception of the period since the discovery of major oil and gas in the province of Alberta. It has continued at a slower or faster rate in the last 25 or 30 years regardless of what parties formed the governments of the provinces of Manitoba and Saskatchewan. In the last couple of years there has been a slight increase in population in each of these provinces, but in fact we have had a continuous movement out of Saskatchewan and Manitoba because of this discrimination against the west with regard to freight rates.

Mr. Justice Hall found that the application of certain government programs, Canadian Wheat Board selling practices and ancillary rate charges have offset the natural geographic advantage which western flour mills should enjoy. One of the natural or locational advantages of locating a flour mill near the source of wheat is the reduced need for storage, Mr. Justice Hall points out, yet despite that the flour milling industry has increasingly been located in eastern Canada. So the commission recommends that the flour milling industry in Canada be permitted to enjoy the natural geographic advantage of locating in western Canada.

The Commission also recommends that railway policies and Wheat Board policies which discriminate against western Canada be discontinued. The Commission was referring to policies which have been continued all during the time that the present Minister of Transport has been in office.

Then the Commission goes on to analyze what has happened with regard to the processing of rapeseed. At page 287 of the Commission's report we learn that the cost of moving 100 pounds of rapeseed from Lethbridge to Montreal is 70.5 cents per hundred pounds and that the cost of moving the equivalent amount of oil and meal is calculated to be 90.2 cents. This difference of 19.7 cents makes it advantageous to move the rapeseed before it is processed. I could go on and on. The Commission recommends that freight rates on rapeseed and its derivatives be set at levels which do not discriminate against the natural locational advantage of prairie rapeseed crushers.

Then the Commission deals with the question of livestock and with the subsidies on moving feed grain. It points out that the feed grain assistance program has consistently been to the advantage of eastern Canada and British Columbia and against the interests of prairie grain producers. It points out that transport subsidies such as the feed grain assistance program encourage the shipment of feed grains rather than livestock or livestock products from the prairies to eastern Canada and British Columbia. That is what Mr. Justice Hall was talking about when he suggested that the processing of agricultural products be encouraged to develop near where the agricultural products are grown.

Then the Commission talks about the shipment of livestock and the advantages of shipping live cattle compared with the disadvantage to western Canada of first processing the meat.

Then the Commission goes into the question of the malting industry, and it recommends that the malting industry be permitted to enjoy the natural geographic advantage of locating in prairie Canada.

What Mr. Justice Hall says in this report is what western Canadians from all parties have been saying for more than 50 years. Western Canadians do not want to be subsidized by other areas. Western Canada has resources; it can produce a great deal more than it has been producing. Its people can live well with the resources they have. Western Canada cannot develop if the Government of Canada adopts policies which help move raw materials to central Canada for processing.

Mr. Justice Hall has laid down a policy which I think all western Canadians, regardless of where they live and regardless of what party they belong to, can support, and they will expect the government to implement that policy.

It may be that the Minister of Transport really means it when he says he accepts and supports the basic proposals made by Mr. Justice Hall in his report. As I have said, I find that difficult to believe because everything Mr. Justice Hall has recommended the minister has been working against since he became the minister. However, I accept his statement that he accepts the basic recommendations in the report. I hope and expect that he has really changed his mind and that, having read the report, he realizes that the recommendations are indeed worth-while, that they will improve the conditions of life for people in western Canada, and that he will implement those recommendations. To the extent that he does he will have the support of members of the New Democratic Party in parliament. To the extent that he fails we will continue to criticize him and to point out the differences between what he is doing and what he says he will do, and we will continue to urge him and the government to implement the report of the Commission, which the government in fact appointed.

Hon. Martin O'Connell (Scarborough East): Mr. Speaker, I am very pleased indeed to have this brief opportunity to participate in this debate. I want to say at the outset that I was very impressed with the possibility of favourable response as outlined by the Minister of Transport (Mr. Lang) in his clear exposition of the situation as it now exists after the Hall report. I was also impressed with the statesmanlike character of the remarks made by the Minister without Portfolio (Mr. Horner) and with the constructive remarks of the hon. member for Vegreville (Mr. Mazankowski), both of which I found extremely interesting because I think we have passed the stage of dealing with freight rates and questions of that kind in terms of rhetoric, and in this House this evening and today we were getting down to practical specifics and a willingness to deal with these questions as they ought to have been dealt with for some time. But we now have more knowledge.

Many in this House are far more qualified than I am to discuss the specifics of the Hall recommendations. I tend to think that the recommendation of a Prairie Rail Authority is an appropriate one, but I do not profess to have been able to study these questions in depth.

Over the past six months I have had the opportunity to attend a number of conferences in western Canada. I attended a series of conferences known as the Meat-Grain Interface Conferences, and at those conferences I came to realize how complex indeed are the interwoven factors of transportation, processing, community development and so forth. Those conferences, sponsored by the University of Saskatchewan in Saskatoon under Professor Red Williams and Professor Grant Devine, were an eye opener for me, and I wish more people could have attended them.

• (2120)

I thought it might be useful for someone from central Canada to make a few remarks about the attitude with which people in Ontario and Quebec will approach the questions that the Hall Commission raises. I think it is true that, as the hon. member for Vegreville said, we too want action. We are fatigued with the rhetoric that we have heard for so long about discrimination and victimization. To the extent it exists, we want to see an end to it.

I think it is fair to say that in Ontario and Quebec there has never been a time when there was a more positive attitude toward prairie economic development and the resolution of these grievances. I personally am very pleased that the Hall Commission considered the social and community aspects whether of abandonment of rail lines or of the consolidation of elevator systems. I think we in Ontario and Quebec, and indeed in the rest of Canada, understand what is going on in the minds of people in the prairie provinces. After all, it was people from Ontario and Quebec who went west 75 years ago to build that region. They are ready now to face the developmental needs of the second wave, which I take to be not only reorganization and rehabilitation but development in the sense of industrialism. People came also from all over the world to the prairie region. They built it and became Canadians, settling along those branch lines, hauling grain to those elevators, many of which are now old and need rebuilding. Many of the branch lines also require expensive rehabilitation as a result of lack of maintenance.

I recall Mr. Snavely, the commissioner who looked into the cost of moving grain in the west, saying in an aside, not in his report, that in a few years trains would be derailed, standing still on those branch lines. We appreciate the need for rehabilitation.

I want to say again that I think the time for rhetoric is past but we want to make sure in very specific terms what is required and what would be useful. It seems to me that after WEOC meetings four years ago there was a decided cooling of the rhetoric. After WEOC there was full disclosure to the provinces of railway costs. There was a systematic attempt to look into those grievances which are simply referred to as freight rates by many. When one gets down to specifics, for example, the movement of rapeseed oil to Vancouver, or the anomalies between the short-haul and the long-haul charges, or the discrimination apparent between the costs of moving raw material and finished goods—when one gets past the

generalities as was done after WEOC, then it is very hard to document specific cases in proof of discrimination. I think we therefore feel cautious about a generalized approach that is not worked out in specific detail so that, after what might appear to have been a response, those grievances were still there as if untouched.

I suggest we should deal with the Commission report on the merits of its recommendations but enlarge the context into a social and economic developmental approach to the prairie region. By doing that we will go beyond transportation and be obliged to bring in the Department of Regional Economic Development and the Department of Industry, Trade and Commerce, and we will be obliged to consider the trade initiatives that ought to be taken, for example, to sell meat in Japan, or in the Pacific northwest, and the tariff negotiations that will be required to sell polyvinyl chloride in the United States. We will be compelled to go beyond transportation because, unless we do we will not resolve the problems.

We may well need massive freight rate changes, rail rehabilitation, a remodelled grain handling system, new port facilities, and better labour-management relations at the ports throughout the system. Yet these things will not be enough as they are only one set of elements in the total developmental package needed for the prairie region.

What we require and are ready for now is a selective development strategy to undertake all of the best recommendations in the Hall report and reinforce it with policies setting a taxation environment for the prairie region, policies for DREE, as well as tariff changes and redirected government procurement policies. We need this plus greater assurance of markets in central Canada for the processed products of the west even as the west was an assured market through national policies for the manufactured products made in the central industrial heartland.

What we need therefore is an industrial policy which starts with the strengths of the prairie region, which starts with the primary manufacturing already based there on the existing resources, and find the policies which will aid that manufacturing to integrate backwards and forwards as it were—to integrate backwards to include more of regional inputs into the manufacturing process—to make compressors for example for the pipelines—and forward integration as well to make more and more end products as one goes down the processing stream. Those policies will not be easy to find or effect.

Reading the Hall Commission report I feel that the references to natural geographical advantages, or locational advantages as the hon. Minister without Portfolio put it, are not clearly defined and ought not to mislead us. There are very strong economic advantages to processing near the market. They are stronger than the economic advantages of processing near the raw material. Thus it will not be enough simply to change freight rates or change the transportation system. It will require a complete mix of development policies and a long-term convergence of those policies, together with the will to maintain them until these primary manufacturing industries can move up the economic chain into further processing. It will require a good deal of inter-regional understanding.

The main point I am trying to make is that such regional understanding is already there so far as central Canada is concerned. We too want, as the hon. member for Vegreville said, a charter for western economic development. We too want to see a "way ahead" for the prairie region. Mr. Justice Hall and his commissioners have set us on course with this report.

● (2130)

In conclusion, I suggest that if I am right about the need for something more comprehensive than freight rates, better elevators and rehabilitated grain lines, all of which one accepts, we will need at the federal level some means to co-ordinate our responses, some means to go beyond the Department of Transport and include all other departments of government which have a vital role to play in that economic package. I am thinking of the Department of Regional Economic Expansion, the Department of Industry, Trade and Commerce, the Department of Agriculture which has a central role to play, the Department of Finance, and so on. Do we not need to set up a task force? Let us not be blasé about task forces. There must be a mechanism for co-ordinating the federal approach.

Second, we need a commitment from the federal government, which I am sure will not be difficult to get, that it will sit down with the three prairie provinces, and with each separately within the next few weeks, and seek to identify specific recommendations in the Hall Commission report which could be usefully implemented with early action.

Mr. Speaker, I have made my few points. I have tried to talk constructively in this debate about the real opportunity existing in the prairie region for dynamic economic development. This opportunity comes, oddly enough, at the very time when the dynamism of central Canada is perhaps declining. Central Canada therefore needs the development of the prairie provinces now more than it may have needed it in the past. Constructive responses to this shift in economic vocations, futures or possibilities, may indeed involve us in the very unifying activities into which we all now want to enter.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I will begin by saying this is a timely debate for western agriculture, western Canada and, indeed all Canada. I was privileged to present a personal brief in my Medicine Hat constituency at the hearing held in Schuler, Alberta, on March 23, 1976. Schuler is a small Alberta town, very close to the Alberta-Saskatchewan border, and about 40 miles northeast of Medicine Hat. The town is located at the end of a branch line to a branch line which runs to a third branch line.

To me one of the highlights of that particular hearing, and I am sure to the Schuler community, was that all high school students were given the day off to attend this particular hearing, which was conducted by commissioners Reiny Lehr and Bob Cowan. I point out that Mr. Lehr is a near resident to

Schuler and Medicine Hat, where he produces grain and cattle.

It seems to me that there is, and should be, broad general support for the recommendation dealing with the abandonment within five years of some 2,165 miles of branch lines. Though there may be a few cases of inconvenience on these lines owing to abandonment, the need for such action seems both apparent and necessary. One such example is a 21-mile rail line from near Cardston to Whiskey Gap, in South-Western Alberta. It serves four elevators at only two points. Incidentally, it is interesting to note that the original line was built initially by the St. Mary's River Railway as a narrow gauge railway; later the line was taken over by the CPR. I also single out the Bassano to Leader line, which it was recommended should be added to the basic network. I concur with this recommendation, since it is part of an important alternate rail route to the main CPR line connecting Swift Current and Bassano, Alberta.

My remarks today will be specifically directed to the sections in the Hall report on statutory rates and economic development.

With respect to the question of the Crowsnest rates and/or statutory rates, and I think those terms are often used interchangeably, it seems quite probable that after the conclusion of public hearings and just before writing the report, the six commissioners must have agreed at the outset that the Crowsnest rates were too touchy a political issue and changes should not be suggested. They responded accordingly and built the remainder of their recommendations on this base, that the Crowsnest rates should remain. Having been a member of this House over four and a half years I can now understand this approach. At one time I might not have fully understood it. It also seems probable that most of the representations made to the commission hearings must have indicated a similar response.

Let us look at the actual recommendations of the report of this item. I am referring to pages 336 and 337 of the report. It states:

> Regardless of what rate may be set for the transport of grain to export position that rate must be statutory, not variable. Anything else would be a violation of promises made to the producers of western Canada. If the government considers that the railways should have the amount suggested by the Commission on the Costs of Transporting Grain by Rail to transport grain, that amount, according to the findings of that Commission, will be in excess of the Crowsnest rate. How the difference between the new rate and the Crowsnest rate will be apportioned between the government and the producer is, of course, a matter for government decision. This Commission feels that the government must continue to subsidize the transportation of export grain and that the full cost, as deemed by the Commission on the costs of transporting grain by rail, must not be imposed on the producer.

The Commission goes on to make the following recommendation:

> The Commission recommends that the difference between the Crowsnest rate and the rate determined through costs found by the Commission on the Costs of Transporting Grain by Rail should be paid directly to the railways, and not to individual farmers. The very idea of sending out cheques to 160,000 farmers is appalling.

Please note the specific recommendation for payments made to railways not to farmers. Also note that in the passage quoted the phrase "export grain" is used twice when grain is referred to. I can only assume that this recommendation includes domestic feed grains which move by rail in western Canada, because this is the case now.

I now turn to pages 534, 535 and 536 of the report, to that part entitled economic development. It relates specifically to four agricultural processing industries, all directly involved in prairie grain production. I draw your attention, Mr. Speaker, to the four similar statements which follow a more general opening statement. I quote:

> The production and processing of agricultural products should take place in the regions of this country which have a natural geographic advantage for such activities.

With respect to the flour milling industry the Commission recommends that the flour milling industry in Canada be permitted to enjoy the natural geographic advantage of locating in western Canada.

With respect to the rapeseed crushing industry the Commission recommends that freight rates on rapeseed and its derivatives be set at levels which do not discriminate against the natural locational advantage of prairie rapeseed crushers.

With respect to the livestock processing industry the Commission recommends that freight rates on livestock and meat be set at levels which do not discriminate against the natural locational advantage of prairie livestock producers and processors.

● (2140)

Finally, with respect to the malting industry the Commission recommends that the malting industry be permitted to enjoy the natural geographic advantage of locating in prairie Canada.

I suggest these four statements are deliberately vague and leave much to conjecture as to how these statements are to be implemented. My personal impression is that there is a clear indication in these statements that statutory rates should apply not only to domestic feed grains, but to products of domestic feed grains as well. These products are flour, rapeseed and rapeseed oil, livestock and meat, and barley malt.

By obvious implication, the report also suggests that the difference between statutory and compensatory rates be made up by government for all commodities and processed agricultural products from the prairies.

I suggest that if these assumptions are correct, there are some very serious consequences that until now have hardly even been mentioned. I will name only a few. What would these changes in rail freight do to the trucking industry? How would our two way agricultural trade with the United States be affected? Of course, there is the obvious question of what these costs will come to, including the cost of extending statutory rates to all sectors of agriculture in the west. The future of western Canada's feeding industry, especially cattle feeding, could be very well decided by how these questions are

answered and what policies are evolved for our domestic feed grain industry.

The west's feeding industry for both cattle and hogs is in serious trouble now because of two factors relating to freight rates. First, statutory rates now tend to increase the western domestic price of feed grains by the difference between the costs of statutory and actual rail costs by about 27 cents a bushel. Second, cattle and beef, hogs and pork are at the full compensatory rate when moved by rail.

The results of these two factors were almost predictable. Our western hog industry has shifted to the United States. We have seen a drop of about 40 per cent since 1941 and a near corresponding increase in Quebec, but the shift is really to the United States. We are now importing pork in substantial quantities from the United States.

Western cattle feeding could be headed the same way. This spring for the first time in years significant numbers of feeder cattle are moving south to the United States from western Canada and we can expect fat cattle to flow back north from the U.S. corn belt into central Canada, probably this fall or next winter. What a tremendous loss there is here in value added enterprises.

How can the natural comparative advantages, or as the report says the natural locational advantages, be assured for those value added agricultural industries like livestock and meat processing? To suggest a partial answer, let us go back to the recommendation that the difference between Crow and actual cost of moving grain be paid to the railways. I suggest this will continue to distort the natural comparative advantage of western value added industries. If such a subsidy is to be used, let it be paid directly to grain producers on an acreage base, not a bushel base. Existing permit books could be used quite readily for this purpose. I quote the Commission's comment or reason for not doing this:

> The very idea of sending out cheques to 160,000 farmers is appalling.

It just does not make sense in this computer age when millions of cheques are being sent out, such as initial and final wheat board cheques. Direct payment of the difference to grain producers would eliminate that price inequity on domestic feed grains in the west, but payment to the railways would merely continue this inequity on western feed grains.

If this suggestion relative to the Hall recommendation on who should receive the subsidy cannot be agreed to by the government and parliament, all I can say is that there has to be some other way devised to return the benefits of the Crow rate to grain farmers, particularly domestic feed grain farmers, in order to remove price distortion from the market.

Cattle and hog feeders in no way want to eliminate the Crow benefits to grain producers. They are simply suggesting that these benefits be returned in some other neutral manner. Western Canada does indeed have a natural locational advantage, not only for wheat production but feed grain production, especially barley.

Western barley production is a big crop every year, usually around 500 million bushels. It is disbursed as follows: 200 million bushels are exported, 66 million shipped to central and eastern Canada and British Columbia, and the balance, the biggest amount, fed in the west. Not mentioned there is the barley produced on a farm and fed on that farm, and never goes to a market as grain.

The point I want to emphasize is that our western market for barley is our most important market, and it is right at our front and back door. Ways must be found, either through recommendations by Hall or by parliament, to ensure that this domestic market has a chance to operate in a proper natural advantageous climate.

There is a noticeable sense of expectation in the west now that is linked to the Hall Commission report. While there are many important details missing from the report, the opportunity is now here for parliament to bring about meaningful solutions to grain marketing and rail transportation problems for the first time this century. It is up to us to act now.

Mr. Arnold Malone (Battle River): Mr. Speaker, this has certainly been a momentous day for Canada. We have heard much of the debate as it has taken place. The Hall report is a tremendous report for western Canada. As many westerners would say, and as my good friend opposite has said, when any one section of the country has increased in its strength, the whole country reaps the advantage.

I was pleased, as was my colleague who just spoke, to attend a local hearing when the Hall Commission was meeting. I attended a hearing in Stettler, Alberta. I spoke principally in terms of the importance of the prairie community system and the importance of the railway to that community system.

Because time is running short this evening, and there will be far more comments to be made than one opposition day will allow, or the short ten minutes I will have to speak this evening, I want to get to the heart of what the previous speaker has said, the hon. member for Medicine Hat (Mr. Hargrave).

The motion put before the House today reads:

> That this House agrees in principle with the recommendations of the Hall Commission on Grain Handling and Transportation.

Those general principles of agreement go without any question. However, we must take a sincere look at specific aspects of that recommendation because there is still, depending upon interpretation, the possibility for great jeopardy to western Canada.

I want to put forward one submission on some advantages and disadvantages, to the prairies. I quote from a gentleman in the beef industry in a very big way, Mr. Chris Mills, as follows:

> "It virtually spells the end of the livestock feeding business in western Canada. Within five years the cattle industry will go the same way as the hog feeding industry has in the last two years," he said of the Hall Commission's recommendation that the Crowsnest rate be retained.

● (2150)

We are not talking simply about the retention of the Crowsnest Pass rates but also about the methodology. There is no question in anyone's mind that these rates are the Magna

Carta of western Canada, part of the way in which we are linked together. The whole rail system on the prairies is as vital to national unity in the eyes of the west as other aspects may be to different parts of the country.

I cannot help noting considerable opposition to the position taken by the Minister of Transport (Mr. Lang). We note a headline in one of the papers, "Lang Upset." The report says:

Lang contended the commission's conclusion is unsubstantiated. He said the implied suggestion by the Commission that freight rates on processed commodities be brought into line with the current export grain rates would be a "very, very expensive solution."

I should like to remind hon. members of what Commissioner Emmett Hall stated in response to the argument put forward by the Minister of Transport. He said, and I am quoting:

I reject it in grain transportation because I consider grain so fundamental to the fiscal well-being of Canada that the national interest does not justify the user pay principle.

The Minister of Transport is quite willing to take the position that the recommendation is too expensive for Canada. But Mr. Emmett Hall has pointed out that grain exports have consistently, over the years, reduced the deficit in Canada's balance of payments. In other words, it was a great national advantage, not just a western advantage, and to think of this, in the words of the Minister of Transport as being a western issue rather than a national issue is to fail to understand where Canada starts or ends. It is a great shortcoming that the minister does not see this question in its international context. As Emmett Hall stated:

The contribution which grain makes to Canada's balance of payments position demands that a substantial part of any increase be borne by the federal government in the national interest.

I want to speak this evening about the "order-in-council government" we have at the present time, a government which has issued more than 3,000 orders-in-council during the past year. Speaking on this motion, the Minister of Transport told us earlier that the government had today put out yet another order-in-council. A couple of days ago an order-in-council was issued dealing with the Hall report. What makes me nervous about these orders-in-council is that they make an impression that the government is actually doing something, that it is implementing the Hall recommendations, while in fact it is not. By acting in this way it fails to give the prairie system the solid feeling of security which will come from parliament taking action by statute, passing legislation which could not be changed at the whim of ministers—any change would have to be made subject to public debate.

I deplore the fact that we are moving by order-in-council in the absence of the kind of debate on this subject in which we ought to be engaged. If the minister were really sincere about implementing these recommendations by order-in-council he might take some of the more fundamental recommendations of the report, such as the following:

The retention of the Crowsnest statutory rates. That the difference between the statutory rate and the cost of transporting grain be paid directly to the railways.

He might have considered enacting that by order-in-council. I am not suggestion he should, though. What I am saying is that this is not a new debate. As my right hon. friend from Prince Albert (Mr. Diefenbaker) said, it has been going on for 50 years.

Had the government followed the recommendations of the Western Economic Opportunities Conference in 1973, the Hall Commission would not have been required. That conference put forward a manifesto for the west giving the kind of guarantees we are seeking here today. All that we are asking, and all that the report purports to do, is to give the prairies the same kind of natural economic advantages which are enjoyed and exercised by other parts of the country.

In its recommendations with regard to the rationalization of the grain handling system the report mentions the fact that at the present time five major government-built inland terminals are empty and unused. On our side we recognize there is a need for the rationalization of the system in order to make it efficient. We do not need another study.

The Minister of Transport told us today that studies have been going on since 1968. He went on to list *ad infinitum* the studies which have been conducted over the years. The people of the prairies do not want to hear of another study. One of the things we know about this report, even though we agree with it, or at least with its major principles, is that it offers nothing new, nothing which the farmers, the small businessmen, the industrialists, have not been saying in the western provinces over the years. Today we have trains which chase east to haul grain west, which chase north to haul grain south, all because we lack a rational system of train exchange on different tracks. I have in my constituency a line which must carry grain a hundred miles to the east before turning around and bringing it west again to Vancouver. That is a nonsensical situation, to say the least.

One of the fundamental things this report does is give fair warning to the government that it had better not plan to call an election before implementing some of these vital recommendations. If the government were to dare to call an election without acting on this report after 50 years of protest by the prairie farmers, it would be a snub to the people of the west. As for the Minister of Transport, I am not in any way persuaded that he is giving a full or firm commitment. That ought to be underscored.

We also need to take a look at the fact that in east central Alberta and west central Saskatchewan grain is shipped to Thunder Bay when ports have been frozen up during the past winter, as they are each winter. It is a nonsensical position if they do not empty the prairie elevators in the fall of the year and have the terminals at Thunder Bay emptied also. The minister today sought to leave the impression that there had been an improvement in the movement of grain under his administration. The fact of the matter is that in east central Alberta and western Saskatchewan there has been the highest congestion on both tracks ever experienced in recent years as a result of ill-conceived policy.

I see you are about to rise, Mr. Speaker, and call it ten o'clock. I just want to make it clear that it is the time which

has run out, not the issues, and that there is a lot more to be said about this subject.

The Acting Speaker (Mr. Turner): Order, please. It being ten o'clock it is my duty to inform the House that, pursuant to Standing Order 58(ii), proceedings on the motion have now expired.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

NATIONAL DEFENCE—REQUEST FOR EQUIPMENT TO ASSIST RESIDENTS OF COBALT FOLLOWING FIRE

Mr. Arnold Peters (Timiskaming): Mr. Speaker, on Monday of last week a catastrophe happened to the people of the town of Cobalt. Most people know Cobalt as a small mining community in northern Ontario. It is surprising how many people have come to know the town of Cobalt over the years. Very few people you meet have failed to hear of that small community. At one time it consisted of 20,000 people, but has now quietly dwindled to a town with about 2,000 residents who are very devoted to the community and proud of the efforts they have made to maintain it over the years in the face of great adversity.

The fire that struck Cobalt last week was a disaster. It started in a building which was being torn down, and with a 60 miles an hour wind it spread rapidly to other parts of the town. As many as five or six houses were burning at a time. I was there and observed the great efforts made by fire departments from the area. They came from the towns of Haileybury, New Liskeard, Latchford, Temagami, and as far away as Lorrainville and Ville Marie in Quebec. They fought very diligently, but against that wind not even the three water bombers which were sent in by the Ontario department of natural resources were able to help. The town lost about one quarter of its residences. There were 152 buildings burned. About 70 to 80 of these were dwellings, some multiple dwellings, which means that a very large part of the town has been destroyed.

It is almost impossible to imagine the kind of fire that we had in Cobalt. I have been through a number of fires, Mr. Speaker, and I have seen many forest fires, but I have never seen one of the intensity of this particular fire. The municipalities in the tri-town area met and offered assistance in the form of billets. Surprisingly 300 billets were available in the rest of Cobalt, 300 in Haileybury, and 300 in New Liskeard. Many larger towns would be proud of that kind of support. Interestingly enough, I sat in on council meeting the morning after the fire. The mayor had lost his home and was left with absolutely nothing, apart from his clothes. Another councillor was in the same position. A third councillor saved his house which he recently built, but the house he lived in previously went up in flames. Three councillors, including the mayor, lost everything they owned.

The provincial government came through with help. The cabinet met and sent in two ministers who offered immediately half a million dollars and other assistance which would allow the town to raise money which would be matched by the province. I understand that the federal government was asked by my leader for unanimous consent to recognize that this was a tragedy regarding which everything possible should be done, but consent was not given. The former attorney general of Ontario did ask the Prime Minister a number of questions and, to summarize the Prime Minister said that everything possible would be done.

The other day I asked the Minister of State for Urban Affairs (Mr. Ouellet) if he would send in senior officials of the Central Mortgage and Housing Corporation to sit down with the officials in Cobalt, the provincial officials and others to help iron out the difficulties, because the people want to rebuild Cobalt—they want to rebuild the houses they have lost. The Postmaster General (Mr. Blais) has political responsibilities in that area, but he does not have ministerial responsibility for CMHC. I think it is unfortunate that politics should be played at a time like this.

I am well aware the Minister of State for Urban Affairs was still enjoying the fruits of efforts he had been making elsewhere in another field at that time. If he were to go to Cobalt to look at the situation, he would also be more interested in getting rid of the red tape. If we are going to rebuild Cobalt, all the help that is possible must be given to those people. They must be encouraged to rebuild and to make their lives as they were before.

It is necessary for us to cut through the red tape in the Central Mortgage and Housing Corporation and other federal departments, including National Defence, which may be able to play a role through the Emergency Measures Organization by providing temporary housing. If that is all that is required, surely we are not going to play politics with it. The Minister of State for Urban Affairs could well have taken a ride on the same airplane in order to have a look at the situation. He could have been accompanied by some of his officials so that red tape would not be the bane, as it has been in so many other tragedies which have occurred in this country.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I find myself in agreement with at least the first part of the hon. member's remarks. Today I visited the town of Cobalt along with the Postmaster General (Mr. Blais), who has regional responsibility for that area.

Mr. Peters: Only politically.

Mr. Dionne (Northumberland-Miramichi): We were accompanied by the Parliamentary Secretary to the Minister

of Manpower and Immigration (Mr. Portelance) and the Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. Lumley). As well, we were accompanied by officials from these departments and from Central Mortgage and Housing Corporation. I agree with the hon. member when he says that the people there are devoted to their community. It was indeed encouraging to see the spirit of co-operation, the dedication to their town, the dedication to one another, and the absolute total dedication to efficiency of the mayor and his council.

There is a method by which the federal government assists in tragedies, and I believe the hon. member is aware of that. The federal government has committed itself to assist in any way possible through the disaster fund, and it will do so. I discussed with the mayor, and some of his people working in this disaster, possibilities for aid from the Department of National Defence. The others who were along discussed the possibility of aid from their departments as well.

I find it rather unfortunate that the hon. member decries what he calls the politics of the federal government playing with it, and he is the only one I have seen playing politics with it so far. I do not know what he expects from the ministry. As I mentioned, the Postmaster General is responsible for that area in his regional responsibilities. The hon. member says that it is only political, but the fact is we are all politicians here, as far as I know. The government makes decisions with political input, and it seems to me the minister responsible for that region is the obvious minister to deal with the people. I would like to point out that the minister dealt very effectively with them today. The federal government is not shirking its responsibility and its duty, and it will not do so.

● (2210)

CANADIAN EXPORT DEVELOPMENT CORPORATION—REASON FOR REFUSAL TO CONFIRM TRANSAIR AS PRIME BIDDER FOR UNITED STATES AIR FORCE CONTRACT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, this afternoon I posed a question to the Minister of Transport (Mr. Lang) with regard to a bid that Transair had made for a contract with the United States Air Force to overhaul 97 Boeing 707 tankers over a three year period. This work would entail modifying the wing structures.

Since my question this afternoon to the Minister of Transport I have been informed that it is the Canadian Commercial Corporation which has refused to write a letter of endorsation for Transair which must accompany the bid to the U.S. Air Force. There is still time for the CCC to give written confirmation that Transair is a prime bidder for the $42 million contract as bids do not close until July 1, 1977. I hope that the parliamentary secretary to the minister will get on to this tomorrow morning first thing and will have this letter of confirmation transferred to Transair so that they can apply for this bid, as the signing of the contract is to take place on July 1, 1977.

The first plane is to be delivered for overhaul on September 15, 1977. U.S. Air Force officials visited Winnipeg around November 1, 1976, and approved the new $15 million Air Canada hangar as the proper facility to do the overhauls. They have all the facilities to handle the overhaul contract for U.S. planes.

This afternoon when I raised my question I received a very unsatisfactory answer from the Minister of Transport who said "Essentially, my understanding from conversations with Transair is that the difficulty which had existed in connection with this bid, which may have prevented the bid from being successful, will not be repeated in the course of successive bids."

We do not get $42 million opportunities for Canada every day. Transair is the only company in Canada that has submitted a bid, and the U.S. Air Force is looking seriously at this contract submitted to Transair in Winnipeg. We want to remove the roadblocks, never mind putting road blocks in front of Transair. We have record unemployment in this country, we have economic chaos. Remove the road blocks, have this letter submitted to Transair tomorrow, and let us get this $42 million into Canada.

I received also another mundane, secondary answer from the Minister of Transport when he said this afternoon, "My understanding is that there may not be possibility of a bid in relation to those particular aircraft, but there are many hundreds of others which will be coming along next."

There are no $42 million contracts coming daily. They only come once in a lifetime. I have been informed tonight that the Canadian Commercial Corporation which will not submit this letter to Transair, has stated that it is incapable of handling this bid. This bid is only to rebuild the wing structure of the 97 planes. In the past Transair has completely rebuilt the Canadian 707s from top to bottom—it was not only the wing structure but the engines and everything else. Therefore this is nothing but a phony report from the CCC which says it will not submit this letter.

This has a two-fold impact on the Canadian economy. On May 23, 1974, the Prime Minister (Mr. Trudeau) made a flying trip to Winnipeg at which time he said he would give us a $15 million hangar. In the meantime we have embarrassed the Prime Minister into building this $15 million hangar for Air Canada, but Air Canada says it does not want it, it has no requirement for it. However, it is being built with federal funds and paid for by the Canadian taxpayer. Air Canada, I repeat, has stated that it does not need this hangar, and it does not know what to do with it. If this contract to overhaul these American air force 707 tankers comes into Canada, the work will be done in this new $15 million hangar, and Air Canada personnel will be involved in working on this particular contract, so it is particularly important that we do everything we possibly can to get this contract into Canada. Otherwise we would have this $15 million hangar just sitting there. It would just be an absolute and complete white elephant, so we have a two-fold impact here.

It has been stated earlier that with this $15 million hangar Transair will start doing some work, and it will lease part of the hangar facilities, but there is to be a merger of Transair with Pacific Western Airlines. If this merger is completed,

there would be no more overhaul work done in Winnipeg. All the Transair and PWA overhaul work would be done in British Columbia and Alberta where their overhaul facilities are now. They would not be doing any work at all in this new $15 million hangar, so it is obvious that we must make every effort to assist Transair to obtain this contract with the American air force. Otherwise Canada will lose $42 million and 500 jobs.

It would require 500 people to overhaul the American air force planes over a three year period, and there is a possibility of other contracts later. If we lose this contract, we lose $42 million and 500 jobs, and we would be stuck with this huge monstrosity which the Prime Minister said in an election promise that he would build for us. We must make sure that this facility is used. We must make every effort to assist Transair to obtain this $42 million contract.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, under the Canada-U.S. defence production sharing arrangements entered into in 1956, the U.S. Department of Defence requires that generally, all purchases in excess of $10,000 from Canadian suppliers, shall be made with the Canadian Commercial Corporation. In order for Canadian contractors' bids to be considered for contract award by the U.S. defence department, CCC is required to give its endorsement on each bid submitted. This endorsement by CCC is, in effect, a guarantee to the U.S. government that all commitments and obligations of the bid and any resulting contract will be met. To determine if any bid will be endorsed, CCC, through its products centres, examines both the bid and the contractor to ensure that the financial, management and technical capability exists to perform the required work.

If a Canadian bid is selected by the U.S. for contract award, the contract is then made with CCC, which in turn sub-contracts 100 per cent to the Canadian supplier.

In response to a U.S. Air Force request for proposal, Transair Ltd. prepared a bid for the replacement of the lower wing skins of KC-135 aerial refueling tanker aircraft for the USAF. The work was to be a three year project involving some 97 aircraft, with further options of 36 aircraft in each of the following two years.

The company's response was sent direct to Tinker Air Force Base at Oklahoma City; a copy of the bid was also sent to CCC. In order for CCC to consider the Transair bid for endorsement, the company was asked to provide the corporation with comprehensive evidence of its capabilities in terms of facilities, manpower and technical skills and necessary financing.

The company had arranged to rent a hangar from Air Canada and had requested support from the Department of Industry, Trade and Commerce on tooling. The basis of costing estimates was examined and judged to be reasonable. On March 31, 1977 Transair informed CCC of last minute difficulties in presenting satisfactory evidence of availability of working capital. As the bid closed the next day, it was certified to the U.S. Air Force subject only to determination that adequate management, financing and physical facilities were available to perform the work.

The U.S. Air Force advised CCC on April 5 that the Transair proposal was found to be non-responsive and could not be accepted for further evaluation because of information contained in the Transair bid and CCC's partial endorsement.

Although in this case the bid was not accepted by the U.S. Department of Defense, the Canadian Commercial Corporation has, in the fiscal year 1976-77, received contract awards from the U.S. defense department totalling in excess of $100 million.

● (2220)

HEALTH—POSSIBILITY OF STUDIES ON EFFECTS OF SACCHARIN ON HUMANS—REASON FOR FAILURE TO CONSULT MEDICAL ASSOCIATIONS PRIOR TO IMPOSING BAN

Mr. Bruce Halliday (Oxford): Mr. Speaker, I rise tonight as a result of the rather inadequate and almost irrational response by the Minister of National Health and Welfare (Mr. Lalonde) as reported at page 4285 of *Hansard* for March 24, to a question I asked on the subject of saccharin. I asked the minister if he would indicate to the House what retrospective and prospective studies he has authorized or has done on the effect of saccharin on humans. I will quote the minister's reply in full. He said:

> Mr. Speaker, decisions have been made in that field following studies which have been confirmed by international and American authorities. I would suggest to the hon. member that he not be overly impressed by a decidedly American lobbying organization which has more than $1 million at its disposal to rally public opinion against this decision.

I cannot see what that had to do with the question of studies of a retrospective and prospective nature regarding saccharin.

Before I continue my comments I would suggest to the parliamentary secretary who is here to answer for the minister that he lay aside the prepared speech given to him by his officials. I see he has a pen in his hand so I would encourage him to jot down the eight or ten questions I will ask so that he can reply briefly to them.

My questions will be in two parts. The first part will be a request for some indication of the policy of the department relating to decisions regarding research projects such as in saccharin, and the second part will inquire to what extent the department followed through on this policy.

My first question is what the policy of the department would be when dealing with research of this kind. Do they consult the Medical Research Council before they proceed and as they proceed with the program? In the case of saccharin did they consult with the Research Council before they initiated the project and as they proceeded?

My second question concerns the policy regarding research projects and the execution of retrospective studies. When checking food additives and so on, does the department have a policy of doing retrospective studies on human beings, no rats, when they have something of significance to contribute to the medical community? If so, what was done on human beings in respect of this particular experiment on rats?

My third question relates to prospective studies. Does the department have any policy regarding prospective studies in situations where they are studying a potentially harmful product consumed by humans? If so, have they initiated prospective studies on human beings in the use of saccharin? It should not be difficult to do for either prospective or retrospective studies. Certainly retrospective studies would be easy because saccharin has been used for 98 years and there are three or four generations that could be checked.

The fourth question refers to consultations. I am not sure the minister knows what a consultation is. I believe he thinks a consultation is a briefing. Before an announcement is made such as the one on saccharin, or previous ones on the swine 'flu virus vaccine or cyclamates, all of which have been catastrophic as far as the medical community is concerned, does the minister or his department make a point of engaging in consultation as opposed to briefing? I understand consultation did not happen. I ask, did they consult, not brief, professional associations like the CMA, the Canadian Dental Association and other, similar professional groups?

Fifth, and this question is also about consultation, is it the policy of the ministry to consult lay groups interested in that field? Specifically, did it consult with the Canadian Diabetic Association, the Canadian Cancer Society, the Canadian Heart Society, weight reducing organizations, and so on?

My sixth question is this: what is the minister's policy regarding consultations with manufacturing groups? Did he discuss saccharin with manufacturers of diet drinks, diet foods, and so on? Did he consult the grocery products manufacturers of Canada? That association ought to have been consulted. Did he consult the Calory Control Council of North America, which is interested in these matters?

Seventh, what is the government's policy on releasing partial information before all tests are completed? Almost two months after the minister banned saccharin, he announced that subsequent tests showed that the problem may have been caused by impurities in saccharin. I am referring to the Ames test.

Since the minister knew perfectly well that those tests had not been completed, why did he not wait two months before announcing the ban?

I direct three more general questions to the parliamentary secretary. First, I wish to quote part of the minister's reply to the hon. member for Winnipeg North Centre (Mr. Knowles) as reported on page 3836 of *Hansard* of March 10, 1977. *Hansard* reports the minister as saying in part:

> We proposed the establishment of a committee, in co-operation with the industry and medical experts, to make a complete review of the role of saccharin in the diet of diabetics.

Has that been done?

Finally, since my time has almost run out, I make one last comment. The American Cancer Society publishes an excellent journal twice a month. In a recent article entitled, "The Environmental Time Bomb That Never Went Off" the editor of the journal, Arthur I. Holleb, wrote one particularly significant sentence, as follows:

> Hasty judgments are a disservice to the serious study of environmental cancer.

I would welcome the parliamentary secretary's response to my questions.

Mr. Paul E. McRae (Parliamentary Secretary to the Minister of National Health and Welfare): Mr. Speaker, I find it difficult at present to answer the hon. member's specific questions. The answers will have to be provided, for I cannot say who talked to whom in each case. I cannot answer the hon. member's eight or nine questions in three minutes. I point out that all hon. members have had the opportunity to be briefed. I think it would have been possible to raise these questions in the presence of officials responsible for the studies mentioned. I do not recall many questions having been asked when the opportunity for briefing arose.

The hon. member raised the question of the Medical Research Council. I would not venture to say yes or not to his questions. The information will have to be provided.

I must make a strong point on the question of retrospective and prospective studies. As the hon. member knows, it is not possible to use human subjects in the study of carcinogenic agents. It would be unethical to attempt to induce cancer of the bladder in a human being.

The other point is that saccharin has been used for 90 years, but used extensively only for the last eight years. In two cases there is evidence to suggest that saccharin may have caused cancer, although that is not positive.

I come to the question of consultation. The department has consulted with officials of CMA, the Canadian Diabetic Association and the Canadian Dental Association, but the department itself had to make a decision. Certainly there was a discussion with the industry, the bottling industry and groups like that.

● (2230)

With regard to testing for the possibility of impurities, there are two problems. First, it would have to be proven that the impurities were causing the trouble. Second, it would have to be proven that a form of saccharin could be formed which did not have those impurities or other carcinogenic impurities. It is a problem.

If we had said we were not going to do anything about it, the Canadian Medical Association and the opposition would be telling us to ban that particular substance from our foods. That would have been the case if we had found strong evidence that it produced carcinogenic results. The department acted right away. Some changes may have to be made. I cannot say whether consultation has started with the Canadian Diabetic Association. I hope it has. If not, as the minister indicated, I am sure it will in the near future.

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

Motion agreed to and the House adjourned at 10:34 p.m.

HOUSE OF COMMONS

Friday, May 27, 1977

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR JUDICIAL INQUIRY INTO BREAK-INS AT L'AGENCE DE PRESSE LIBRE AND PRAXIS CORPORATION—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise to move a motion of urgent and pressing necessity under the provisions of Standing Order 43. In view of the recent revelations of government evasion on the serious questions raised about the Department of the Solicitor General in the last few days, I move, seconded by the hon. member for High Park-Humber Valley (Mr. Jelinek):

That this House directs the government to institute a full judicial inquiry into the matter of the Agence Presse Libre and Praxis Corporation break-ins.

Mr. Speaker: The presentation for debate of such a motion pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

HARBOURS

DREDGING OF CHANNEL AT BRANCH, NEWFOUNDLAND—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise under the provision of Standing Order 43 to move a motion on a matter of urgent and pressing necessity. This year the inshore fishery on the grounds off Cape St. Mary's shows signs of being very successful as the early catches in St. Bride's and Branch are encouraging. Further, Mr. Speaker, the fishermen of Branch must move ten to 12 miles to the fishery grounds in their inshore draggers and longliners but they cannot gain access to their harbour and the new fish plant because of sand in the channel.

I move, Mr. Speaker, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That this House direct the Minister of Fisheries and the Environment to cause the dredging of the channel at Branch immediately and to have the necessary repairs made so that this problem is solved on a long term basis.

Mr. Speaker: Pursuant to Standing Order 43 presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

MEASURES TO IMPLEMENT EFFECTIVE CONSERVATION POLICY—REQUEST FOR CLARIFICATION OF MINISTER'S STATEMENT ON ENERGY BOARD REPORT "OVERLY CONSERVATIVE"

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I will address my question to the Minister of Energy, Mines and Resources. In view of the findings of the National Energy Board that the export levels for light crude oil should be phased out by 1980-81, that our own crude oil will no longer be sufficient to meet our requirements between 1981 and 1983 and that we will need net imports of 450,000 barrels a day by 1985, that lack of action on the tar sands project means that the next tar sands plant will not come on stream until 1987 and in light of the lack of effective steps being taken for conservation through developing the tar sands, solar energy or hydro energy, will the minister tell the House when the government will adopt and implement effective energy policies and how they plan to meet this grim prospect outlined in the latest National Energy Board report? Would the minister also explain what he meant when he said that the National Energy Board report was "overly conservative"? Did he mean that the National Energy Board estimates were overly truthful rather than Liberal?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think the National Energy Board took the right approach when it assessed Canada's oil supply and requirements. The perspective is a conservative one and properly so for a regulatory agency. It is not in a position to build into its estimates of supply the sorts of things that I hope will happen and believe will happen, such as an upgrading facility for heavy oil. There is no mention of that in the report. There is mention of only one new tar sands plant. I hope we

can get another going before then. That is why we have been in such active discussion and negotiation with the province of Alberta. There is no assumption with respect to the lessening of the demand for oil as a result of such matters as provincial initiatives and conservation. There is nothing in there for higher insulation standards for new housing. There is nothing in there for greater gas consumption in the province of Quebec, for example, replacing foreign oil. I am saying that this is a conservative approach to the next ten years, and I believe quite properly so, but I believe that with the assistance of the provinces we can assure there will be a greater supply than forecast by the National Energy Board.

Mr. Crosbie: Mr. Speaker, the public of Canada cannot heat their homes or drive cars on the minister's hopes and beliefs.

SUGGESTED FEDERAL-PROVINCIAL CONFERENCE ON CONSERVATION POLICY—GOVERNMENT POSITION

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I should now like to address a question to the Prime Minister in view of the minister's lack of serious response to my question, would the Prime Minister call together the ten provincial premiers for a conference open to the public, to television and the media, to discuss with them effective conservation policies in the energy field leading to a more efficient use of our energy resources and a reduction of the increase in demand? Would the Prime Minister take that action because if we cannot get our solutions on the supply side we must take strong action on the demand side. Would he call such a conference?

Right Hon. P. E. Trudeau (Prime Minister): I thank the hon. member for the suggestion, Mr. Speaker, and I will consider it.

CONTINGENCY PLANS IF IMPORTED OIL NOT AVAILABLE—DATE OF IMPLEMENTATION OF NEXT TAR SANDS PROJECT

Mr. Arnold Malone (Battle River): Mr. Speaker, my question to the Minister of Energy, Mines and Resources relates to the National Energy Board's prediction which seems to be based largely on this government's past performance in energy, that by 1985 this country will be importing nearly half a million barrels of oil per day. In view of the highly authoritative report from the workshop on alternative energy sources which suggests that there may be a world shortage of oil by 1985, will the minister tell the House what he plans to do if the half million daily barrels of imports are not available by 1985 and is his alternative to ration oil supplies for Canadians?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. member would refer to the "Energy Strategy for Canada, Policies for Self-Reliance" published one year ago, he would see that we fully anticipated these sorts of difficulties. Indeed, we set up a number of responses for increasing supplies. The hon. member may know that for many months we have tried to negotiate a different set of fiscal terms, to provide incentive for the development of the yet underdeveloped leases of the tar sands and the heavy oils of Alberta. I believe it will be possible to produce close to a million barrels a day of oil and heavy oil from the tar sands by 1990.

Mr. Malone: A supplementary question, Mr. Speaker. Since, according to the predictions of the National Energy Board, continued delays will slow down the development of the heavy oil sands in Alberta, may I ask the minister how quickly he expects the next development plan to be implemented and what is being negotiated at present to ensure that by 1985, not 1990, we will have another oil development project in the tar sands?

Mr. Gillespie: Mr. Speaker, I think the chances are pretty good. Indeed, the energy minister of Alberta said, after the energy ministers meeting three weeks ago at which we discussed what the price of oil for Canada should be, that, given the scenario the majority of energy ministers accepted, Alberta would be prepared to develop aggressively—I think that was his phrase—the tar sands and heavy oils of Alberta. If we can secure the co-operation of the province of Alberta in this national task and reach the one million barrels a day production to which I referred, instead of the close to 500,000 barrels a day the National Energy Board set out in its report, we shall approach the target we set.

My figures indicate that we should be able to reduce our dependence on foreign oil to a lesser figure than we mentioned in the Energy Strategy one year ago. That will require considerable effort on the conservation side. It will require the implementation of measures which the government has already taken and will be taking, and considerable conservation measures on the part of the provinces. Some provinces think energy conservation is purely a provincial responsibility. It will require a much greater degree of urgency on the part of the government of Alberta with respect to the development of the tar sands.

RECONCILIATION OF CONTINUED HIGH EXPORTS TO UNITED STATES WITH ENERGY BOARD REPORT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a supplementary question to the Minister of Energy, Mines and Resources. In view of the depressing report the National Energy Board brought down indicating that by 1985 our oil deficit will be at least 450,000 barrels a day and by 1990, some 600,000 barrels a day, how does the minister reconcile this serious situation in which Canadians find themselves with his offer to Mr. Schlesinger, the energy czar of the United States, at their meeting on March 4, that in certain circumstances he would be prepared to continue our export of crude oil at the rate of 250,000 barrels a day, for a period not exceeding five years. I ask this, since at present we export only 180,000 barrels a day, and the National Energy Board has recommended reducing such exports to 137,000 barrels a day. Why does the minister think we are in a position to offer the United States 250,000 barrels a day for not more than five years?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member was selective in his figures. He tried to leave the impression we only export 180,000 barrels a day.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Of light crude.

● (1120)

Mr. Gillespie: If he had looked at the figures a little more closely he would have known that we are exporting considerably more than that. He used the phrase "in certain circumstances". I think it is important that those circumstances be understood. They include such things as a surplus to Canadian needs, swapping arrangements and protection to Canada in the event of some kind of embargo or interruption of supply.

REQUEST FOR CLARIFICATION OF OIL SWAPPING ARRANGEMENTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Would the minister explain what he means by swapping arrangements? Is he telling the House that what the government proposes is that we should send to the United States 250,000 barrels a day of light, sweet crude oil in exchange for Prudhoe Bay oil which is sour oil brought by pipeline from Kitimat to Edmonton, which no oil refinery west of the City of Quebec is able to refine without a major overhaul involving heavy expenditure? Is that the swap the minister has in mind?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): No, Mr. Speaker. I have not talked about any arrangement involving a continuation of the export of light, sweet crude at the rate of 200,000 barrels a day. I have indicated that in certain circumstances we might be able to provide 250,000 barrels of crude oil but the major proportion of that will be in the heavy oils field. The allocation right now is roughly 140,000 barrels of heavy oil a day to the United States.

On the specific question of the surplus, I do not see the Prudhoe Bay swap as something which will happen very shortly. Maybe it will, I don't know. I feel the swap arrangements are more likely to be in other parts of the United States serving the eastern Canadian markets rather than one which would involve Prudhoe Bay oil coming to Canada from the west coast of the U.S.

POSSIBILITY OF ADOPTING HOME INSULATION PROGRAM AS CONSERVATION MEASURE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): The minister stated that he thinks the National Energy Board was too pessimistic in its report and that it had over-anticipated the demand, a situation which he hopes will be rectified by some type of conservation program. In his discussions with Mr. Schlesinger on March 4, according to the minister's memorandum to file of March 7, he said "The United States appears to be fully committed to reinsulation; we must take a further look at this". I want to ask him whether he and the government have, in fact, taken another look at this and in view of the fact that several provinces have indicated willingness to make loans with respect to insulation costs, is the government now ready to embark on a national home insulation program, particularly since such a program would save Canada $1.25 billion a year and $750 million annually in oil imports, and would save us about 40 per cent of the oil we are now having to import at world prices? Is the government seriously prepared, now, to embark on a national home insulation program?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): The hon. member has asked that question before and I have answered it before. Yes, the government is looking at such a proposal, but as I have explained to the hon. member this is an extremely expensive undertaking, probably of the order of a billion and a half dollars. Clearly this is a major stumbling block at a time when the government is trying to hold its expenditures down.

SUGGESTION HOUSING MINISTRY MAKE LOANS FOR HOME INSULATION AS CONSERVATION MEASURE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): A supplementary question, Mr. Speaker. In regard to the figures the minister mentioned concerning the cost of home insulation, I am sure that the minister is aware that there is a program in existence now under residential rehabilitation assistance whereby all Canadians can borrow up to $10,000 and have $3,750 forgiven. The problem is that there is not enough funds. Is the minister prepared to recommend to the minister of housing that there be a direct thrust toward this type of program, which is already available, to provide insulation so as to extend it to many more Canadians who are in need of it, particularly those on low incomes?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I know that the Minister of State for Urban Affairs is very interested in and concerned about the problems to which the hon. member refers. He and I have had a number of discussions about how we can extend insulation programs to Canadians. As the hon. member knows, CMHC is administering the successful insulation program in P.E.I. and Nova Scotia.

* * *

ROYAL CANADIAN MOUNTED POLICE

DATE ON WHICH MINISTER KNEW OF BREAK-IN AT L'AGENCE DE PRESSE LIBRE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the Minister with respect to the matters raised in this House involving the Royal Canadian Mounted Police. I should like to refer to what he said yesterday at the press conference. To quote the transcript, he said:

As soon as the ministers were apprised of the reality of the fact of the illegal break-in, they took action to make sure that the case was brought to the

attention of the Attorney General of the Province of Quebec, which resulted in the trial being before the courts.

We now know that the three people charged in the province of Quebec all plead guilty. One of those unfortunately was an officer in the Royal Canadian Mounted Police. It seems to me an attempt is being made to cast some measure of ministerial responsibility on the Royal Canadian Mounted Police. I ask the Prime Minister whether he could tell us now—he could not yesterday at the press conference—on what date was the Solicitor General informed of the break-in, and which Solicitor General; and secondly, would the Prime Minister be able to assure the House categorically that the Minister of Supply and Services, who was at one time Solicitor General of Canada, knew nothing about this break-in?

Right Hon. P. E. Trudeau (Prime Minister): First of all, Mr. Speaker, I would take exception to the suggestion that the government is trying to transfer the blame to the RCMP. It seems to me that that has been the object of most of the opposition's questioning in the past several days, to blame the RCMP for these actions.

Mr. Baker (Grenville-Carleton): Not true.

Mr. Trudeau: Then, if it is not true they should get together and make sure that they are not attempting to convey that impression. As far as ministerial involvement is concerned, I have ascertained that before the break-in there was absolutely no ministerial knowledge that there would be a break-in. That much is clear in my mind.

I said at the press conference yesterday that as to specific dates I would not be committed to them because I did not have them before me. I have since talked to the Solicitor General who feels that it is desirable, and I support him completely, to make a statement giving all the dates and all the facts as he has ascertained them. He has chosen, I think wisely, to do this after judgment has been rendered on the plea of guilty by the persons accused in Montreal. I am informed that this will be in a couple of weeks from now, and at that time I think it is his duty to make, and it is his suggestion that he make, a statement.

I understand the opposition's anxiety to get to the bottom of this. In order to make sure that the minister's actions are quite clear in the public mind, I myself am anxious that he make this statement. I hope the opposition will understand the desirability of not making it until the case is finally closed, which will happen when the sentence is given.

REASON FOR FAILURE OF MINISTER TO HAVE PRIOR KNOWLEDGE OF BREAK-IN AT L'AGENCE DE PRESSE LIBRE

Mr. Walter Baker (Grenville-Carleton): A supplementary question, Mr. Speaker. I am happy to hear that there is going to be a statement with respect to the matter, but could the Prime Minister inform the House whether in the course of his statement the Solicitor General, who is going to be making the statement for the government, will be explaining how two former solicitors general, both in the cabinet, were so incompetent as to have no inkling of these activities? Would that be part of the statement that would be made in the House?

• (1130)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems to me there is a value judgment there about competency. I think the point will have to be dealt with. I do not think the hon. member should prejudge that there was incompetency. There may be another sequence of events which might explain the failure of the police to inform, at the right time, their superiors and the Solicitor General himself.

REQUEST FOR JUDICIAL INQUIRY INTO BREAK-INS AT L'AGENCE DE PRESSE LIBRE AND PRAXIS CORPORATION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I moved earlier, seconded by another member of the House, that there be a judicial inquiry with respect to this matter. I moved it in good faith because I believe it is extremely important, not only from the point of view of the government, but certainly from the point of view of the Royal Canadian Mounted Police. Is it the intention of the government to have a ministerial statement in this House which will take the place of a judicial inquiry? Is this announcement this morning by the Prime Minister an indication the Prime Minister has decided today that there is no possibility and no need for a judicial inquiry with respect to this matter, and only a statement would suffice?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I am not saying that. It may be entirely possible or desirable that a judicial inquiry follow. To be perfectly candid, I discussed this very matter with the Commissioner of the RCMP when the facts first came to my attention about the laying of charges against one of their former officers for illegal break-in and entry. I came to the conclusion then, and I have stated it to the House on many occasions, that I prefer, through due process, a judicial procedure to follow its course. If the opposition can, with absolute justification, claim all the facts are not known, then I will certainly consider setting up a federal inquiry.

My position in this House has always been that we do not set up inquiries if due process can bring the facts and the guilty persons to light. I do not see any reason for making an exception for the RCMP and to start an inquiry on them if the judicial process, which is operating in Montreal and in Toronto on the two cases in question, is going to bring the facts to light.

Mr. Baker (Grenville-Carleton): Can I assume the Prime Minister has in his mind the limitations on the judicial inquiry in the face of a plea of guilty, when facts are not brought out in the course of a hearing, as opposed to the carrying on of a case from the beginning through the calling of witnesses? That is one limitation. Does the Prime Minister have that in mind, and will he bear those limitations in mind, in terms of the judicial process, when he is considering the question of a judicial inquiry which has a much broader scope?

Mr. Trudeau: Mr. Speaker, I can take that into consideration, and I hope the House would, too. I fail to see exactly the point the hon. member is making. If the police make an inquiry and if the Attorneys General lay charges both in the Montreal case and the Toronto case, one assumes they lay charges against whom the facts seem to incriminate. If they do not lay charges against other people, presumably it is because the police have not found any evidence of involvement or guilt of other people. If the people accused then plead guilty, it seems to demonstrate the police have done their work effectively and have traced the accusations to the proper people.

Mr. Baker (Grenville-Carleton): It is the difference between criminality and impropriety.

Mr. Trudeau: It is difficult to follow the logic that we would be better off, somehow, if these people had not pleaded guilty and had forced the Crown to go through the whole process of proof by witness.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF VETERANS OF WORLD WAR I FLYING CORPS

Mr. Speaker: Order, please. Before recognizing another question, I wonder if hon. members would join with me for just a moment in calling attention to the presence in our gallery of a very distinguished and very unusual delegation in the form of some extremely distinguished Canadians—a group of members of World War I flyers. All of these gentlemen served with either the Royal Flying Corps or the Royal Naval Air Service and were the forefathers of the Royal Air Force and hence the Royal Canadian Air Force. They are here for a reunion. They are in the ladies' gallery now, and I would ask them to stand because I am sure all hon. members would want to wish them a very pleasant reunion here this weekend.

Some hon. Members: Hear, hear!

* * *

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR ASSURANCE OF GOVERNMENT CONFIDENCE IN FORCE AND NON-INTERFERENCE IN DISCIPLINARY PROCESS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the Prime Minister arising out of his weekly press conference yesterday. There are two unfortunate inferences which have been left as a result of the answers of the Prime Minister. First, there is the inference that the RCMP is somehow guilty of a cover-up vis-à-vis passing on information to the government; and second, there is an inference that it might be the government's intention to consider interfering with the disciplinary processes which are now in force in the RCMP. I would like to obtain from the Prime Minister assurance on his part, and on behalf of the government, that the RCMP still enjoys full confidence and faith of the government as a national police force, and that there was no intention by the Prime Minister to leave that inference of cover-up on their part, and no intention on the part of the government to interfere with their disciplinary processes.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that is the most absurd question I have heard from a man who asks a great many absurd questions in this House. If there were any inferences, they were either in the hon. member's mind or perhaps in some form of questioning by his own members or by the media. There was no inference made to that effect by myself.

Mr. Nielsen: Mr. Speaker, may I quote for the Prime Minister from page 5 of his press conference the answer to a question put to him by one of the members of the press where he is referring to the RCMP which reads:

> . . . some disciplinary action was taken. That is my information. The extent to which that was enough . . .

That is questionable. Now, if that does not raise an inference that the government is considering looking into the disciplinary processes of the RCMP, I do not know what does. I am being very bona fide in asking for the government's assurance that there is no intention to take that course. My more important question is: I am asking for the assurance of the government, through the Prime Minister, that the RCMP enjoys the government's full faith and confidence in their function.

Mr. Trudeau: Mr. Speaker, for the past several days the government has spent its full time defending the RCMP against insinuations coming from the other side.

Mr. Baker (Grenville-Carleton): That is not so.

Mr. Trudeau: That is why I felt the question is preposterous.

* * *

THE CANADIAN ECONOMY

MEASURES TO REDUCE LEVEL OF UNEMPLOYMENT IN QUEBEC

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in the absence of the Minister of Manpower and Immigration, I have a question for the Minister of Finance. On Tuesday in the House I indicated that the Department of the Minister of Manpower had prepared a forecast showing unemployment in the province of Quebec would rise again in 1978 to an average of 9.4 per cent. I would like to ask the Minister of Finance the following question: considering that this forecast simply indicates a worsening of the unemployment situation in Quebec, which has already experienced more than half of the new unemployment in Canada as a whole during the past two years; and considering that in a recent comprehensive survey in that province some 40 per cent of Quebecers under the age of 30 have indicated they are prepared today to vote for independence and give as their principal reason economic

dissatisfaction with the economic policies of the federal government, particularly unemployment, I would like to ask the Minister of Finance if the government does not recognize now that the unemployment situation in Quebec is a principal cause of disunity and is reaching crisis proportions. Is the government prepared to come forward now with a comprehensive program to deal with this situation in Quebec?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, in the budget and under the programs which are under the responsibility of my colleague, the Minister of Manpower and Immigration, we have come forward with programs specifically directed at the slow growth areas of Canada, and Quebec in particular. I refer to the substantial funds being expended for special job creation, weighted as they are in favour of areas of high unemployment, and as well the fiscal policy put forward in the budget which favours investment in the province of Quebec. The hon. gentleman makes some reference to the separatist sentiment. One of the difficulties our efforts are meeting, in terms of stimulating further economic progress in the province of Quebec, is the uncertainty created by the Parti Québécois government in that province.

● (1140)

POSSIBILITY OF STUDIES OF LEVELS OF UNEMPLOYMENT IN ALL PROVINCES FOR YEARS, 1977, 1978 AND 1979

Mr. Edward Broadbent (Oshawa-Whitby): Beyond all that rhetoric there is still the revelation that the government, in terms of another department represented by a minister who, for whatever good reason is not here today, has still forecast an increase in levels of unemployment in the province of Quebec, so there will be a worsening of the situation which the government must acknowledge and, one would hope, come to grips with. I should like to ask the minister also whether, with reference to other provinces, would he confirm that studies have been done in Canada for the years 1977-78 and 1978-79 which also indicate in a majority of all the other provinces in Canada there will be a worsening of the unemployment situation in the next two years.

Hon. Donald S. Macdonald (Minister of Finance): I would be glad to inquire of my colleague whether his department has done that, if there is any truth at all in the allegation of the hon. member.

Mr. Broadbent: I can tell the minister there is truth in the allegation and I will be happy to produce the figures prepared by the government. Given this alarming fact that unemployment will get worse in the country in the next two years, would the Minister of Finance assure the House that he will produce the tables and the reasons for the forecast for members of parliament but, perhaps even more basic than that, will he ensure that provincial premiers in Canada be given those forecasts for their provinces in at least the hope that some of them will take their responsibilities seriously about creating jobs for Canadians?

[Mr. Broadbent.]

Mr. Macdonald (Rosedale): I think that the most appropriate thing is to find whether or not the hon. gentleman is honestly in possession of the documents which confirm the allegations, or even dishonestly in possession of them.

* * *

[*Translation*]

NATIONAL REVENUE

ALLEGED PRESENCE OF MOUNTED POLICE OFFICER IN OFFICES OF DEPARTMENT

Mr. C. A. Gauthier (Roberval): Mr. Speaker, my question is for the Minister of National Revenue.

Could the minister tell me about this case. Lately, I phoned the Department of National Revenue (Taxation) and to my great surprise, I was answered by an officer of the Royal Canadian Mounted Police. I would like to know from the minister whether it is usual for the RCMP to have a permanent office at the department. I asked that guy what he was doing there, and he told me it was none of my business. He was right, it was probably none of my business. But it was his business to answer me decently on the phone.

I want to ask the minister whether she called on the RCMP lately to manage income tax offices.

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, perhaps it was during lunch hour or coffee break. In any case, it shows that the public service is not as fragmented as some members of the opposition claim, and that people do cooperate. That being said, I think that the hon. member, who has been sitting in the House of Commons for many years, ought to know that the Income Tax Act allows for a certain degree of cooperation between a department such as mine and the Royal Canadian Mounted Police. I also assume that the hon. member dialed the right number and did not call the wrong office.

Mr. Gauthier (Roberval): I have a supplementary question, Mr. Speaker.

First of all, I wish the minister to know that it was not during the lunch hour, but at 10 o'clock in the morning. It was the switchboard operator of the Department of National Revenue who received my call and who directed it to the Royal Canadian Mounted Police. I was quite surprised, because the RCMP has been tailing us for a number of years. I am afraid we shall suffer the consequences of this one of these days.

* * *

[*English*]

FINANCE

SUGGESTION METHOD OF FORECASTING RATE OF INFLATION BE CHANGED

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Finance and has to do with forecasting procedures related to the consumer price

index and inflation. Since some weeks ago the Minister of Finance said the government's forecast was that it could live with a 6 per cent annual inflation rate and subsequently the minister had to revise it to 7 per cent and then to 7½ per cent and now we are informed that for the first four months of this year the annual inflation rate has skyrocketed way above these figures, is the minister now prepared to scrap the forecasting methodology in his department for inflation and the consumer price index and come up with something new and more reliable, given what just happened?

Hon. Donald S. Macdonald (Minister of Finance): The hon. member is perhaps not stating the situation correctly. The 6 per cent he referred to is the guideline which is set out in the anti-inflation program and represents the level that we would propose to apply at the end of the second year of the program. Indeed, the fact is that because of the impact of both the depreciation of the Canadian dollar and the increase in imported food prices, the hoped for levels were not attained. It seems to me that any intelligent use of the forecast would have to take into account that there will be external events of that kind which, from time to time, will make it difficult to meet the projected figures. I do not think it is a legitimate basis for criticizing those who prepared the forecast.

* * *

CONSUMER AFFAIRS

POSSIBILITY OF MINISTER REQUESTING FINANCE DEPARTMENT TO CHANGE METHOD OF FORECASTING LEVEL OF CONSUMER PRICE INDEX

Mr. Heward Grafftey (Brome-Missisquoi): I have a supplementary question for the Minister of Consumer and Corporate Affairs. I cannot accept the premise in the answer of the Minister of Finance and since latter day prognostications regarding inflation and the consumer price index have proved to be very wrong—6 per cent, 7 per cent, 7.5 per cent, and for the first four months of this year going right beyond that—and in view of the fact that this forecasting procedure in the Department of Finance creates great instability among Canadian consumers—it is important at least to have proper forecasting procedures—has the minister, on behalf of the Canadian consumer, made representations to the Minister of Finance to correct his forecasting procedure so there can be a little stability in this regard?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I cannot accept the hon. member's assertion that the forecasting procedures are erroneous and until I am persuaded of that, I do not see that I can properly make suitable representations.

FINANCE

REASON FOR GRANTING TARIFF REDUCTIONS WITHOUT CONCESSIONS IN RETURN

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is for the Minister of Finance. Since in the past the federal government has granted universal tariff reductions on a large number of horticultural products and recently, that is in the past year, it has granted them on processed pork, and since the General Agreement on Tariffs and Trade is essentially a bargaining exercise, why has Canada granted tariff reductions without—and I emphasize the word without—securing concessions in return in a good many of these cases?

Hon. Donald S. Macdonald (Minister of Finance): Ever since the introduction of these reductions for the purpose of restraining inflation in Canada we have made the point that they are of a temporary nature. Canada's bargaining position proceeds from the standard level provided in customs tariffs and that will be the basis on which we negotiate. So, in no sense should any negotiating party under GATT or any Canadian believe that the temporary tariff reductions are more than temporary or that we are negotiating anything more than on the customs tariff basis.

* * *

● (1150)

[*Translation*]

BILINGUALISM

POSSIBILITY OF FEDERAL AID TO FÉDÉRATION DES FRANCOPHONES HORS QUÉBEC

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister.

In view of the fact that the Fédération des francophones hors Québec had submitted a brief on April 13, that its president regretted this week that the government had kept silent about the submission of its first report; that this organization urges in its second report the establishment, through new arrangements, of a coherent and final policy aimed at helping French-speaking Canadians wherever they may live; and that the Prime Minister has agreed to meet this organization next week, on May 31 to be exact, could the Prime Minister or the minister responsible advise the House whether, under the present circumstances, the federation will be provided with the means to achieve its goal?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, no other date has been set for meeting the group. I indicated quite some time ago that I was willing to meet them, that their first brief would have to be studied, as well as the second which was to be published. Unless I am mistaken, that brief was published only a day or so ago. I then asked the hon. member for Ottawa-Vanier to study it for me; he told me that he had been unable as yet to get a copy of it. I am surprised that the hon. member for Joliette already has a copy of it.

Mr. La Salle: Mr. Speaker, on a supplementary.

I feel that I am bringing up a very important matter, and the Prime Minister, I am sure, is willing to listen seriously to the claims of the federation. I am referring to documents which were given the minister last April 13. This week a second volume was handed over. I am merely asking the Prime Minister if he is willing to provide the means required by the federation to achieve its goals, namely a coherent act providing the necessary mechanisms to help Francophones living outside Quebec. That is all I am asking the Prime Minister.

Mr. Trudeau: Mr. Speaker, may I repeat my answer. The federation is producing a brief in two volumes. The second volume has yet to reach us, or in any event has not reached me. I cannot therefore give the hon. member a theoretical answer. As soon as I have examined that second volume, I shall meet the group. I feel that the date set for meeting them, namely next Wednesday, is really very early, but that is the date I am discussing with the Secretary of State. If there is enough time to study the brief and do it justice, the group will be seen Wednesday; otherwise that meeting may have to be postponed.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

MINISTER'S KNOWLEDGE OF LETTER FROM L'AGENCE DE PRESSE LIBRE FOLLOWING BREAK-IN—REQUEST FOR TABLING

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I would like to ask one more question about the unfortunate matter involving the break-in at L'Agence de Presse Libre simply because the judicial proceedings and the sentencing of the police officers will have no bearing whatsoever on ministerial responsibility or ministerial knowledge of this matter, which I think the House has every right to know about now and not two weeks hence. My question is, therefore, to the Solicitor General. Has the Solicitor General's investigation within his own department turned up a letter sent immediately after the break-in by L'Agence de Presse Libre people to the then solicitor general, the present Minister of Supply and Services, complaining about the break-in and accusing the RCMP of involvement in it? If so, would he now table the letter and inform the House and the people of Canada what the minister did about that allegation made to him immediately after the break-in?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, as stated by the Prime Minister in the House, I shall be prepared to make a full statement on all the events which occurred at that time once the judgment is rendered by the court. Personally, Mr. Speaker, I think that legal proceedings include the right for the accused to have a full and complete defence, and when we consider this full and complete defence, it seems to me that it includes the right for the defence of the accused who have now pleaded guilty to make the fullest representations possible before the court at the time of the sentence. I have the impression that it has been understood almost implicitly among all hon. members of the House since March 31, 1976, when the then solicitor general stated that the case had been referred to the attorney general of the province of Quebec, that we should let justice have its full course before making any statement which could affect the rights of some individuals who are still before the courts now.

[*English*]

Mr. Lawrence: I need no lecture about the rights of the accused from the minister. In my mind the minister and the Prime Minister are confusing two essential elements here, the rights of the accused with regard to the actual break-in and the whole question of ministerial and perhaps even governmental and cabinet knowledge of this matter.

An hon. Member: Cover up.

Mr. Lawrence: Right now there can be no possible reason for not revealing this letter to the House and to the Canadian public. Does the minister know of the letter addressed to his predecessor, can he table it for us and can he tell us what the result of that allegation to that minister was at that time?

[*Translation*]

Mr. Fox: Mr. Speaker, if I were to accept the premises of the hon. member, I would go from question to question and make my statement right now. I believe we only have to wait a few days, that is until June 9, before the court makes a definite judgment. At that time, I intend to make a complete statement on the whole matter and the hon. member will surely be able then to ask any question he might have in mind.

* * *

[*English*]

ENERGY

HOME INSULATION PROGRAM AS CONSERVATION MEASURE—GOVERNMENT POSITION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I would like to address a supplementary question to the Prime Minister with regard to the insulation of homes. The Prime Minister is no doubt aware that it costs about one third as much to save energy as it does to produce it. This matter was mentioned earlier by one of my colleagues. The housing department, through RRAP, does provide loans for insulation, but I am asking the Prime Minister if he will recommend to the cabinet that it take an over-all look at this matter and grant special moneys to all people who insulate, in view of the great energy saving involved. This morning on "Canada A.M." it was suggested that over $1 billion per year could be saved if every home were properly insulated.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, if I may answer, I have already indicated that the government is considering the whole question of extending the program which was introduced in Prince

Edward Island and Nova Scotia. I have made it very clear that such a program would involve a very large sum of money, on which at the present time it is not possible to put one's finger. In the meantime, I recommend to those who are contemplating insulating their houses that they go ahead and do so because, as the hon. member has pointed out, it is in their interest to do so.

PROPOSED REACTIVATION OF PRIVATE HYDROELECTRIC COMPANIES—GOVERNMENT POSITION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, the minister is well aware of the tremendous cost of producing energy. I am wondering if the government will consult with the provinces with a view to reactivating some of the private electric companies which used cheap water power and which were phased out. Granted, they would probably produce only 1,000 horsepower each, but if 100 of them were reactivated, energy would be provided, and it would probably pay the government to give X number of dollars to the provinces if they were to look into the feasibility of this. Has the minister thought about that?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): I am not familar with the details of the hon. member's proposal, but I would very much like to consider it. If the hon. member would put this proposal in writing in some greater detail, I would take a look at it. I feel this is something to which the provinces might be able to respond, and I would certainly send the proposal along.

MARITIME POWER CORPORATION—DATE OF DECISION BY FEDERAL GOVERNMENT ON TAKING EQUITY POSITION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Has the minister yet made a decision on taking an equity position in the contemplated maritime power corporation?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, discussions are still going on, but it is quite clear that the federal government does contemplate taking a position.

TAR SANDS—CO-OPERATION OF ALBERTA IN DEVELOPMENT

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is also for the Minister of Energy, Mines and Resources. In answering a question related to the development of a further project at Syncrude a few moments ago the minister said: "If I can get the co-operation of the province of Alberta". Would the minister state what he meant by that and whether the government is giving co-operation to the province of Alberta?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, as the hon. member knows, the province of Alberta owns the resources of Alberta. That is the jurisdiction which decides on royalty rights, on the rate of removal of the resource from the ground, on what projects will go forward and so forth. We are trying to work out with that province arrangements which would provide greater financial incentives for a new group to develop a new tar sands plant. Under present royalty arrangements I do not think there is any likelihood that a new tar sands plant will come on stream. We are trying to negotiate with the province of Alberta a system under which there would be reduced royalties, in return for which we would consider changes in the income tax arrangements with regard to the return from such a project.

POLAR GAS PIPELINE—POSSIBILITY OF GIVING PRIORITY TO ROUTE THROUGH MANITOBA

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is to the same minister. Last month Mr. John D. Houlding, President and Chief Executive Officer of Polar Gas, stated that Polar Gas will file the necessary applications for permission to build a pipeline through Manitoba in September of this year. The completion of the proposed project is to be achieved within a five year period. The premier of Manitoba has stated that he does not believe such a pipeline through Manitoba would affect native people. The proposed pipeline would be up to 100 miles away from any of the communities in northern Manitoba. Is the government giving serious consideration to making the Polar Gas route the number one priority now in light of all the problems the Mackenzie Valley pipeline would present to the people of that area?

● (1200)

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I do not think the hon. member can be serious with that question. He knows there is no application before the National Energy Board at the present time with respect to a polar route. There is no question that the resources of the high Arctic are very important and one would hope that in the future it will be possible to bring them south for the benefit of Canadians. At the present time, however, there is no application before the National Energy Board upon which the government can act.

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT AMONGST GRADUATES OF UNIVERSITIES AND COLLEGES—GOVERNMENT ACTION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would direct my question to the Minister of Finance in the absence of the Minister of Manpower and Immigration. In view of surveys made in all parts of Canada by the CBC and newspapers which indicate a very high rate of unemployment amongst new graduates of universities and community colleges in fields such as education, social work and many others for which there has been a real demand in the community colleges, could the minister tell the House if the government is giving consideration to helping find suitable employment for

these young people who are amongst the best educated this country has ever had?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would have to confirm this in discussion with my colleague, but in general terms the government is not specifically seeking to find employment for school teachers or the particular groups mentioned by the hon. member. Most of them have looked for employment at the provincial and local level. I think this is a recognition of the fact that governments in Canada have been putting their expenses under some considerable pressure and for this reason there has been a reduction in programs. I would have to confirm with the Minister of Manpower and Immigration, however, whether the specific functional groups the hon. member has mentioned are the subject of a special examination.

Mr. Orlikow: A supplementary question, Mr. Speaker. In view of the fact that the university and community college programs are funded 50 per cent by the government and in view of the fact that we have spent hundreds of millions of dollars in the last six or eight years for these programs, will the minister, in co-operation with the provinces, initiate a very serious investigation into what lies ahead in these fields and whether we should be reconsidering the kind of program on which we have been spending so much money and also investigate the alternatives?

Mr. Macdonald (Rosedale): Mr. Speaker, I would have to confer with the Minister of Manpower and Immigration on that aspect.

* * *

ENERGY

DATE OF ISSUANCE OF REGULATIONS GOVERNING OIL AND GAS EXPLORATION IN THE ARCTIC

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I am sure the minister is aware that Mr. Fraser Allen, president of Amoco Canada Petroleum Limited, in an interview with the *Globe and Mail* on May 14 said that Amoco would very much like to be back in the Arctic but the circumstances are not right. Among the circumstances that are not right are the absence of firm rules governing oil and gas exploration. Mr. Allen stated that his company just cannot go back to the Arctic or anywhere without firm land regulations being enforced. May I ask the minister when he is going to present to the House the new federal tenancy and royalty regulations and legislation? Is it true that these regulations and legislation are not now expected until 1978?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I have already answered a question with respect to that matter and indicated that I expected it would be in 1977.

[Mr. Orlikow.]

Mr. Elzinga: A supplementary question. Does the minister realize the urgency of an acceptable set of new federal land regulations in view of the fact that even if they were brought down this year Mr. Allen states that it would be 1980 or 1981 before Amoco could resume drilling oil and gas prospects in the Mackenzie River valley or the Arctic islands?

Mr. Gillespie: Mr. Speaker, I am not prepared to accept the premise of the question.

ROUTINE PROCEEDINGS

[*English*]

JUSTICE AND LEGAL AFFAIRS

Sixth and seventh reports of Standing Committee on Justice and Legal Affairs—Mr. MacGuigan.

* * *

FINANCE

TABLING OF "AGENDA FOR CO-OPERATION"

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to table the discussion paper on decontrol and post-control issues entitled "Agenda for Co-operation".

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. This is the third day in a row that the government has decided not to answer questions on the order paper. Some statistics were given on the second day about their exemplary record—in their own minds—with respect to answering questions on the order paper. The questions are there because they raise certain matters in the minds of hon. members about the operations of the government, or seek information on behalf of constituents as part of the representative capacity of a member of parliament. This business of putting off answering questions for three days running is intolerable. It makes a mockery of order paper questions.

There has been a tendency on the part of the Parliamentary Secretary to the President of the Privy Council (Mr. Goodale) always to blame the hon. member for Leeds (Mr. Cossitt) for the delays. A long time ago the hon. member for Leeds exercised a right with respect to certain matters because he wanted questions answered properly in the House of Com-

mons. Some members may object to the way he took objection and to his reasons. I am sure there are some members who would object to anything the hon. member for Leeds does. But he had a right to have his questions answered properly, and all members of parliament have a right to have their questions answered properly today, the last day we called this matter for routine proceedings, and the day before that. However, we still have not received answers to those questions. Mr. Speaker, this makes a mockery of the system.

While I am on my feet, I want to mention something else that is important, and that is the matter of starred questions which has caused some difficulty. I think it is important that all hon. members consider the possibility of changes in our Standing Orders so that starred questions which require an oral answer in the House, and therefore must have some importance, be answered within a particular period of time and that there be some rule about the length of such questions. In the event that it is impossible to give an oral answer because that would take up a good part of the House of Commons day, then the government should be made to indicate much more than that the question is a long one and therefore cannot be answered.

There should be some procedure whereby members are assured of an answer in the House and that the question is not tabled for return and forgotten. The question should not merely be answered in writing, but answered in the House by a minister or parliamentary secretary. This should be done within a particular period of time except when there is legitimate excuse beyond the fact that the answer is complicated. I appreciate the position of the parliamentary secretary. He is handed a piece of paper on which is written: "Mr. Speaker, I ask that all questions be allowed to stand." The reason is there are just no answers that are proper. I am sure members on the other side of the House, as well as on this side, have had questions on the order paper month after month after month.

Mr. Beatty: Jack Horner's go back to November.

Mr. Baker (Grenville-Carleton): Someone just said that the questions of the new Minister without Portfolio go back to November. I should like to see some answers to his questions. It is important that we develop this kind of procedure. I want to make it clear that I do not blame the parliamentary secretary personally. I know his position. I fault the government for putting the parliamentary secretary in the position of requesting, three days in a row, that questions be allowed to stand.

● (1210)

I suggest the government has been negligent. We are entitled to know why the parliamentary secretary has asked that these questions be allowed to stand. Are the questions too complicated to answer? Is that why some were not answered yesterday, the day before, and today? We are entitled to know. I can understand this happening once, but when it happens three days in a row we are entitled to an explanation. Many of the questions are neither long nor complicated. As I have said, the parliamentary secretary should explain why he is asking for the questions to be stood.

Mr. Stevens: Mr. Speaker, I rise on the same point of order. I support what my colleague has said about questions not being answered for three days. I asked the Minister of Finance (Mr. Macdonald) yesterday why question No. 749, which deals with his department, was not answered. It was set down last October. The minister indicated he had signed the question. It was sent to the Privy Council office where, presumably, it has remained. I urge an end to this practice. If an answer to a question is available, it should be tabled. The Privy Council office should not hold up the tabling of answers. Also, questions 750 and 754, set down in October, have not been answered. Surely the answers to these questions are long overdue.

Mr. Malone: Mr. Speaker, I rise on the same point of order and support wholeheartedly what both my colleagues have said. May I suggest something constructive? If the government fails to answer a question within a specific time, say within two weeks or a month of its being set down, the parliamentary secretary should explain the reason for the delay. I say this for a particular reason. Constituents often ask members of parliament to raise such questions because information furnished in the answers influences business decisions. I have had experience of this.

If the government does not release the information or is tardy in answering questions, the end result may be that business opportunities are lost. If the parliamentary secretary, after two weeks or one month, could explain why the question has not been answered, the member or his constituent could seek other channels of information. If the government cannot answer an order paper question within a couple of weeks, say, I suggest someone in authority should immediately communicate with the member of parliament asking the question and say why the question cannot be answered within a reasonable period.

Mr. Speaker: Order, please. The suggestions put forward today ought to be directed to the Standing Committee on Procedure and Organization. Suggestions have been made about the use of starred questions and the responses to them, and about the response or reaction to such questions if they cannot be answered within a few days. I am sure those worth-while suggestions will be borne in mind.

The practice is that the parliamentary secretary asks that questions be allowed to stand. It is improper to seek any explanation of that from any member of the government or to permit any member of the government to explain it. The Standing Order requires all such questions to be dropped from the order paper if they are not allowed to stand. Therefore, with the consent of the government they are allowed to stand, which means they are not dropped from the order paper. That procedure is followed each day for the benefit of the questioner, not for the benefit of the government. Therefore, I think the matter ought to stand, with suggestions for improvement to

the procedure committee as outlined today in valid contributions.

GOVERNMENT ORDERS

[*English*]

AIR CANADA ACT, 1976

MEASURE RESPECTING REORGANIZATION OF AIR CANADA

The House resumed, from Wednesday, May 25, consideration of the motion of Mr. Lang that Bill C-17, respecting the reorganization of Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, on Wednesday last we discussed two bills to do with air transport, the aeronautics bill, which we passed, and Bill C-17 dealing with the reorganization of Air Canada. As I said on Wednesday, this government's approach to transportation policy is fundamentally wrong. One week we discuss freight rates, another week a bill on railways, and another week a bill on airlines. Clearly, this country needs a comprehensive transportation policy which will promote the most efficient way of moving people and goods, encourage the conservation of energy, reduce pollution and make the most efficient use of manpower. We must use our airlines, railways, trucks, buses and private cars in the most efficient manner. This we have not done. By introducing bills of this sort the government is putting off, perhaps for years, the time when we can draw up the necessary and comprehensive plans which will enable us to use most efficiently all modes of transportation.

As I said on Wednesday, this simple bill will change the structure of Air Canada. On Wednesday we gave second reading to Bill C-46 to amend the Aeronautics Act. I suppose we shall today give Bill C-17 second reading. This bill merely changes the organization of Air Canada. Mr. Speaker, we are considering this legislation in isolation, as it were, ignoring the tremendous changes taking place, particularly in the field of air transport. Those changes have taken place without sparking any discussion in parliament. So far as I know, the Minister of Transport (Mr. Lang) has not made a single public statement on what is happening or what is the government's position. Obviously, some changes could not take place if the government did not approve. We do not know the basis for some changes or what their effect will be.

In this regard I direct the attention of hon. members to an important change taking place in the field of air transportation. Hon. members who read today's edition of the Montreal *Gazette* no doubt will have noted that Pacific Western Airlines has completed a deal to purchase Transair. I mentioned on Wednesday that had the minister possessed the authority which he will possess when the aeronautics bill is passed, he would have prevented the government of Alberta from purchasing Pacific Western Airlines. That is a power he will have when we complete the passage of the aeronautics bill to which we gave second reading on Wednesday.

● (1220)

I am not opposed, as the minister for some considerable time said he was, to the idea of a provincial government getting into the air transportation business. I find it interesting that the minister should now have agreed to the expansion of Pacific Western Airlines, although it is owned by a provincial government, and I wonder what his response would have been and what the response of members of the official opposition would have been had it been the NDP government of British Columbia which had purchased PWA instead of the Conservative government of Alberta. However, that purchase has been made and, as I say, we are not opposed to provincial governments being in the air transportation business. But now Pacific Western Airlines, owned by the Alberta government, is proceeding to complete a deal through which it will purchase Transair. Transair is a company based in Winnipeg. It has a route into northern Ontario, a route between Winnipeg and Toronto, a route into the Northwest Territories. Suddenly we find that the Minister of Transport, who was long opposed to the government of Alberta purchasing PWA, approves and encourages the deal. Apparently he has given some commitment, verbal at least, that there would be sweeteners to Pacific Western Airlines if it put this deal through. One newspaper story said that PWA was purchasing Transair for less than it would cost the company to purchase one new DC-10.

It is interesting they should be able to do this and that they should be doing it with the approval of the Minister of Transport. According to the Winnipeg *Free Press* of May 10, the Premier of Manitoba, in which province the airline has its business office and overhaul facilities, was not shown the courtesy of being informed by the Minister of Transport of what was taking place or what had been agreed to. The Winnipeg *Free Press* reports that at the sitting of the legislature, when the news had become public, Premier Schreyer said he would raise with the federal minister some disturbing questions about the merger. The news story goes on to say:

He told the legislature he had tried in vain to reach Lang Monday because he intended to speak to him that day.

Mr. Douglas (Nanaimo-Cowichan-The Islands): He was probably flying around.

Mr. Orlikow: He was probably flying around in that $750,000 jet aircraft of his. The report continues:

Schreyer said he was told by federal officials that the merger hung on whether Transair would give up its Toronto-Winnipeg run in return for some of Air Canada's viable western routes. He told the legislature this raised some disturbing questions about why such routes were not offered to Transair previously.

Mr. Speaker, surely when we are discussing a bill about Air Canada, the Minister of Transport could have used his time while introducing the measure to tell us which western routes Air Canada would be turning over to Pacific Western Airlines. Surely the minister could have given some information to the Premier of Manitoba who, according to the Prime Minister

(Mr. Trudeau), has been more willing to think as a Canadian rather than as premier of one province than any other premier in this country. Yet he did not even show him the courtesy of telling him what kind of deal he was making behind his back. This is a deal which is just completed, and it is one about which we ought to be given a good deal of information.

Today's Montreal *Gazette* carries a story on the front page of its business section, the headline of which reads: "Sale of CP Air to Pacific Western under discussion: federal official". Let me quote a couple of paragraphs from the story by Nicholas Hills.

Pacific Western, the Alberta government-owned airline will next take control of CP Air, the money-losing subsidiary of Canadian Pacific Limited, industry sources say.

The story goes on:

Rumour or not, good airline or not, there is one inescapable fact: Canadian Pacific is fed up with its airline losing money. The losses of $9.8 million in 1975-76 and $6.4 million in 1974-75 are a drag on the giant's corporate image, let alone its books.

With its recent acquisition of Transair Limited of Winnipeg, PWA is now the second airline in the country. It basically controls regional air travel in the west and runs head-to-head against CP Air on many DC routes including those into Prince George, Terrace and Prince Rupert.

It may make some sense to have competition on those routes, but if PWA purchases CP Air it will be in direct competition on the transcontinental route with Air Canada. So you will have the strange position of one airline owned by the federal government which carries passengers from Victoria to St. John's and another airline, PWA, owned by the Alberta government which will be moving passengers from Victoria to Montreal, both of which, in the last couple of years, have been losing money.

Hon. members to my right cannot say everybody knows that a government-owned operation cannot be run efficiently so we should not be surprised it is losing money. Here we have a privately-owned airline which has lost money in the last two years. There are several reasons for this. First, there is the tremendous increase in the cost of fuel, an increase in the neighbourhood of 300 per cent. Every airline in the world is in trouble, and virtually every airline, whether owned by its government or privately, is now being subsidized. That is part of the reason. The other part of the reason is the cost of air travel. Most planes flying in Canada and in other countries have substantial excess capacity, to the extent of having 30, 40 or even 50 per cent of their seats unfilled. This raises another question which we should examine.

● (1230)

The original decision of the Conservative government, which was expanded by the Liberal government, was to have competition, to have two airlines operating on transcontinental routes across Canada. We wonder whether this was a wise policy or whether we would not have been better off to follow the policy elaborated under a Liberal government by that great businessman and free enterpriser, C. D. Howe, where one transcontinental airline owned and operated by the people of Canada would operate in Canada for service and not for profit.

The acquisition of Transair by PWA will have vital consequences for the people of western Canada, regardless whether PWA is privately owned, as it was until a few years ago, or publicly owned, as it is now by the government of Alberta. The possible acquisition by PWA of CP Air will also have tremendous consequences for the people of Canada. I suggest that the least the people of Canada have the right to expect from the Minister of Transport is that he should tell them what is happening and explain the decisions that have been reached. If consideration has been given by CP Air to sell the company to Pacific Western Airlines, then what is the position of the government of Canada, and what are the reasons for the sale?

We have had not a word from the minister in this regard. He does not want discussion of public issues. He wants to make decisions in consultation with a few senior bureaucrats in his department, who have been consistently wrong on many of the most important decisions which have been made, as well, I suppose, as in consultation with some of the big business executives with whom the minister is obviously much more comfortable than he is with members of parliament or members of the public.

These are matters which need to be discussed now but which should have been discussed long before. This minister should have given us an explanation when he introduced the bill on Wednesday, rather than non-committal chatting concerning a few details. Until we have this kind of discussion of transportation and air policy, the members of this party will oppose this bill and any others which the minister brings forth.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in joining in this debate on Bill C-17 I am rather compelled to repeat what I said in the House during debate on Bill C-54, the excise tax bill which we discussed last week. At that time I said that this government has shown a remarkable knack for bringing legislation before the House the provisions of which, for reasons known only to the government, end up 180 degrees off course.

The bill before the House today says, in effect, that Air Canada has what Air Canada's management feels is an uncomfortable weight of debt and somehow Air Canada should be restructured so as to relieve the corporation of the carrying charges of that debt. That is a nice way to express it. As we know, Air Canada officials have often come forward in committee and said they feel that if they were freed from the debt load they would be able to show relatively better earnings.

Having made that point, it is interesting how those who believe in state-run enterprises like Air Canada and love to posture this type of activity also love to cloud the issue and to disguise the mismanagement which is usually found in most state-run operations. The hard fact is that the reason Air Canada has such a heavy debt, which is owing to the government of Canada through the CNR, is that they have been running substantial losses. They are now comparing their operation with comparable airlines in the United States, and they say that the capital ratios in the United States so far as debt is concerned are higher than their ratio; that somehow

this should be adjusted almost magically by the government's accepting the capitalization of the debt owing to them.

The point the minister does not make clear, and the point the officials of Air Canada do not make clear either, is that the capital ratio they refer to in respect of private carriers in the United States was not something given to those concerns by a government. It was not something that was even paid in in the main by the shareholders of those concerns. It was the accumulated earnings which those airlines were able to build up over the years which gave them the wherewithal to be effective, viable entities in sharp contrast to Air Canada.

Later in my remarks I want to draw a contrast, for example, between Air Canada and Northwest Airlines, which is a very similar operation run, of course, as a private concern in the United States. In these two cases roughly the same revenue pours into the companies, roughly the same number of air miles are flown, and roughly the same number of aeroplanes are owned by the two companies. But Northwest Airlines made, in the period to which I shall be referring later, a profit of about $100 million, whereas Air Canada lost $20 million.

The number one point which stands out in contrast when you compare those two companies is the number of staff of the two airlines. Air Canada, with an approximate revenue equal to that of Northwest Airlines, has almost double the number of employees Northwest Airlines has. To me, that, in a nutshell, is the problem with state-run enterprises. Profit is not a motive. They realize they have government coffers to fall back on, so if it is a question of hiring a few more people, why not? The fact is that when a bureaucrat sees evidence of profit in a Crown corporation, he almost gets into a state of hysteria in making sure expenses increase fast enough so that the profit will not continue.

One of the things I am concerned about in the bill before us is that if we capitalize this debt, which is really notional, there will not even be notional charging of interest by the government to Air Canada from now on. In short, if this notional debt of Air Canada stands at, say, $70 million, just think what a boon it will be to Air Canada. If that is capitalized, they will no longer have to reflect that interest cost and, in short, they will be given a $60 million to $70 million subsidization by the government of Canada. Mark my words, if Air Canada is allowed to continue with no further restriction and no attempt to privatize it or somehow make it more conscious of the need to earn a profit, that subsidization will be used up in a matter of years and they will be back into a deficit position with some new rationalization as to why they are not viable.

● (1240)

Having made those few preliminary remarks, I would like to state that in the excise bill I have referred to we saw where the government somehow managed to devise a tax on tourism. I am referring to the air transportation tax. They devised that tax at a time when our travel accounts are in critical deficit. I am pleased the Minister of Finance (Mr. Macdonald) is in the House. I notice he is reading his green paper—I hope not for the first time—on the decontrol mechanism which he is intending to explain at a press conference later this afternoon.

Is it not odd, when we have run up a $1.2 billion tourist deficit in this country and when the *Financial Post* estimates if the trend continues it could be a $10 billion deficit some time in the 1980s, that the government chooses this time to bring in a foreign air transportation tax to cover what they say are the user costs of the airport facilities? As was raised at the time the excise bill was before us, the fact is that the costs they refer to are in many ways costs we do not have to incur in this country. Airports could run on a profitable basis if there were better direction at the Ottawa level.

As far as the government's actions are concerned, we saw their refusal to abolish or decrease the sales tax on smaller, more energy-efficient cars. That was a measure which we felt would spur the economy and provide a direct and positive incentive to energy conservation. We saw this 180-degree turnaround as far as the government is concerned in this bill which is now up for debate at second reading. This is a bill which is supposedly designed to put Air Canada on a viable commercial and financial basis competitive with privately-run airlines. In essence, it would bring Air Canada under increasingly direct government control. It is an anomaly, I would suggest, of this administration which can be so successful at drafting legislation totally and completely opposed to the very spirit and aims which produced the legislation in the first place.

Few, if any, in this House wish to see Air Canada limping along with its wings clipped back by continuing losses. They have even given up their peanuts on certain of the flights which I have been on. I do not know whether it was because they were being called internationally the "peanut airline" or whether this is another measure of restraint on their part.

An hon. Member: They were American peanuts.

Mr. Douglas (Nanaimo-Cowichan-The Islands): They are mad at Jimmy Carter.

Mr. Stevens: My colleague from the other party says they are mad at Jimmy Carter. That may be so, but I am not sure. Be that as it may, I do not think anyone wants to see a state-run operation such as Air Canada in a loss position. That is not a good advertisement for the nation. The losses Air Canada is referring to have grown in the past three years from $9.2 million in 1974 to $13 million in 1975, and last year the loss was down a bit, to $10.4 million. All of us, with the possible exception of the socialists to my left, want to see Air Canada operate on a sound, efficient and profitable footing. In this connection, at least, we support those provisions which would reduce Air Canada's staggering debt equity ratio and reduce its cost of financing.

Having said that, I would emphasize that hon. members should take a good, solid look at why that debt structure has been allowed to arise in Air Canada and should not assume it was something which could not have been avoided. What is astounding is that the government would pursue these laudable

goals in the framework of the legislation before us today, that is, the framework of Bill C-17 which has the laudable goal of trying to put Air Canada on a more viable basis. I would say the framework is not suitable for what the government claims they are attempting to do.

At present we have in this country an estimated 1,200 state-owned and operated concerns. Few, if any, of these are models of efficiency or sound financial management. One need only read the Auditor General's report to confirm what I am saying. Yet the government is proposing today that we get Air Canada to straighten up and fly right by removing it from the control of the Canadian National Railways and placing it firmly under the control of the Minister of Transport. In our minds, this is taking our national airline from the frying pan and pitching it squarely into the fire. Hon. members must remember who it is that is proposing to run Air Canada.

An hon. Member: The Post Office.

Mr. Stevens: Yes, Mr. Speaker, it is the same people who run our Post Office. Perhaps that is the best evidence of how inefficient they are at running a business. It is the same government which has demonstrated such acumen in developing mammoth airports that no one wanted or even needed. It is the same people who have master-minded such massive blunders as Pickering, where they have tied up $110 million in a stillborn airport. What is even worse is that they have taken 18,000 acres, 90 per cent of which is class one agricultural land, and have virtually put it into disuse as far as farming activities are concerned. Take Mirabel—and I wish somebody would: surely that is a classic white elephant so misconceived that airports in the United States are now using it as a drawing card for rerouting business.

I hope hon. members have noticed the ad which is now being run by the airport authority in Boston. It is openly advertising in Canadian magazines that Canadian travellers should use the Boston airport because it is more convenient than going to Mirabel.

Mr. Fox: That is balderdash, and you know it.

Mr. Stevens: Well, the Solicitor General (Mr. Fox) may call it balderdash, but the fact is that it is a clever ad. It shows the Simpson family thanking whoever was responsible for the 1½-hour trip through scenic Canada, but they say they thought they were on their way to Europe. The airport authority in Boston is simply saying, "There is no need to waste time travelling for an hour and a half, whether you like the scenery or not. If you want to get to Europe rather quickly, come through Boston and we will expedite your trip to Europe".

Mr. Fox: The moral of the story is wrong. They could have stayed in Canada and had a good time.

Mr. Stevens: Yes, they could have stayed in Canada and had a good time. It is kind of hard to follow this government sometimes. We have the Prime Minister (Mr. Trudeau) who tells people who are out of work to go to another country to find a job, and then we have the Solicitor General who says that somehow they should be controlled and contained in Canada so they can have a good time here. How dictatorial can you get? It is rather bewildering. The Solicitor General tells us that Mirabel is in his riding. I understand why he feels he really has troubles. I thought his current problems with certain of the operations in his department were enough to trouble him, but if he has Mirabel as well, my heart goes out to him. Maybe we should take it a little easier on him in the House after this.

• (1250)

An hon. Member: Pickering is in your riding.

Mr. Stevens: To continue what I was saying, let me point out that the Mirabel fiasco led to the loss of $56 million in the operation of that airport last year. I am simply citing these examples of these wizards in business who now say, "Give us direct control of Air Canada and we will whip it into shape". Let me cite another example. This is the same government that is putting together the de Havilland Canadair so-called aerospace rationalization in the country. We were told in committee that they have approximately $150 million tied up in the purchase price of de Havilland, plus the various grants and loans they have made to de Havilland to produce the Dash-7. They are now at the point where they have to sell 250 of those Dash-7s just to break even. They have sold one at last count—

Mr. Blais: Mr. Speaker, I rise on a point of order. I thought we were dealing with the Air Canada bill. I looked at the provisions of the bill and I do not see that the takeover of de Havilland has anything to do with the bill. I hope the hon. member will keep to the principle of the bill, which is usually what is debated on second reading.

Mr. Deputy Speaker: Order, please. I happened to be looking at Beauchesne's and perhaps I should read the appropriate citation to the House. I know it is the responsibility of the Speaker to insist that members keep their remarks relevant to the subject matter of the debate. However, citation 119(3) reads:

> Relevancy is not easy to define. A wrong comprehension of it may have a serious effect on the freedom of speech. Members are often deprived of their right to speak on pretext that their remarks are irrelevant when as a matter of fact they refer to matters perhaps remote but yet related, even indirectly, to the question under debate.

I have been following the comments of the hon. member, and I hope he will contain his remarks within the confines of the bill.

Mr. Stevens: Thank you, Mr. Speaker. I do not doubt that the Postmaster General (Mr. Blais) is a little touchy. I cited his operation as a classic example of mismanagement so far as business is concerned, and as he has to live with his $700 million deficit—which, incidentally, used to be a profit back in 1970—I can well understand that he does not like to hear about another such Crown corporation or similar agency. But I am quite in agreement that it is relevant to cite examples of government mismanagement.

Mr. Blais: I rise on a point of order, Mr. Speaker. I suppose that the hon. member should cite, as well, the operations of the Bank of Western Canada as being an example of a properly managed private enterprise.

Mr. Stevens: If the Postmaster General would like to have a debate in the House on what he calls the West Bank, by which, I presume, he means a bank in Canada as opposed to one in the Middle East, I would be willing to have that debate. In fact, I would welcome it to show the contrast between the minister's operation and the operation of that entity.

I was citing the government's mismanagement in various activities, their colossal blunders, and I can only conclude that portion of my remarks by saying that I do not think it shows they have the credentials to run Air Canada directly. One can only guess at the outcome, but if this reorganization of Air Canada is in line with this administration's track record in urban transportation, interurban rail service, airport development and management, or any other facet of the government's transportation policies, then the first 40 years of Air Canada's history may well be its last.

Hon. members will recall that the government, in the Speech from the Throne and again in the white paper entitled "The Way Ahead", promised increased reliance on the private sector. It was stated in the throne speech:

In a further effort to reduce the size of government as well as expand the range of opportunities for private enterprise, all federal programs will be reviewed to identify those government activities which could be transferred to the private sector without reducing the quality of service to the public.

Later in the speech the government again promised to "promote greater freedom and efficiency in the marketplace." Still later, in defence of its so called "middle road" between complete reliance on the free market and socialist intervention in the system, the government stated:

—that choice also implies that the working of the market must be improved and that less costly, less interventionist ways must be found to pursue social goals.

We welcomed these words, hoping they signalled a return to sanity, a recognition that the economy could sustain no more excessive government flab and grab. Subsequently, when successive news reports indicated the minister was investigating means of turning over Air Canada to private hands, we thought this would be the logical place to begin a constructive diminution of government control. Frankly, we were interested to see what would be the government's suggested method of making Air Canada a private enterprise. After all, the minister himself stated in his opening remarks to this bill: "Air Canada is no longer a fledging airline and no longer needs special protective measures". We had hoped that by preparing Air Canada—now 40 years old—to fly on its own, the government was setting the pace for other divestment of unnecessary state ownership. But we were wrong, for when we examine this bill we find that Air Canada has been merely shifted to ministerial management. We have only the minister's word that such direct government management will result in sound commercial and financial viability. As I said, given the track record of this minister and his government, that word is not enough.

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

[Mr. Stevens.]

Mr. Deputy Speaker: Order, please. It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

• (1410)

Mr. Stevens: Mr. Speaker, before lunch I was stating that I felt in some ways members must be quite sharp in their observations concerning the bill before us, in that I think it is once again the type of rationalization that the government likes to go through to cover mistakes in the operations of one of the Crown corporations, in this case Air Canada.

I should like to state, also, that I believe the provisions of Bill C-17 are so wide and encompassing that the cabinet will have virtually complete control over the board of directors of Air Canada if the legislation goes through in the form in which it is now before us. Cloaked in language that purports a new era of Air Canada competition with private airlines, the bill, in its very broadness, merely points the way to massive interventions in the operation of Air Canada. In the minister's own words, the bill "provides for direct government ownership"; and, again, "Air Canada would be required to comply with direction from the governor in council." This direct ministerial control over Air Canada is unfortunate. It is businessmen, not bureaucrats, who know how to run a commercially successful enterprise.

The specifics of this new arrangement as far as the bill and the minister's speech are concerned are to come at a later date. But given the fact that the government has failed to bring the annual report of Air Canada for each of the three previous years before committee, we can only surmise that it will be even harder to scrutinize the airline's operations under the cloak of ministerial privilege. Clearly, the government is playing a game of monopoly again and, as usual, it spells out the rules only as it suits them and only when it suits their timing. It is playing monopoly with billions of taxpayers' dollars, secure in the knowledge that a multimillion blunder here or there will not break them as it would private industry. Being government, it can simply send taxpayers digging deeper into their pockets to cover government mistakes.

The government is playing big business with all the assets of what will surely be one of the world's most lavishly capitalized airlines—and I emphasize this. It will not have the risk, as far as operation is concerned, that most of the world's airlines have to accept as privately-run companies. It will be one of the world's most lavishly capitalized airlines, as I have stated, if this bill goes through. Frankly, we cannot find another airline that will have such naked capital to work with as Air Canada will if the amendment proposed by the minister sees the light of day.

It is an approach we have seen all too often in this House. The government, with their fondness for Crown corporations—as we know, they are planning two more in VIA rail and marine transport—are acting as would-be "captains of industry" with someone else's money. Too often these experiments go sour and prove to be wasteful and expensive exercises in bureaucratic bungling. Frequently, they are counterproductive and even hurt the industries they are supposed to be helping and, in some cases, spearheading development—PetroCan, for example. Sometimes they are even swollen and flabby retreats for party faithful: an incorporated pork-barrel of incompetence and privilege. Our experience with these state-run companies in the past clearly shows that what is needed for Air Canada is not another Crown corporation but systematic and phased conversion into a private concern. Free market competition and management by those who have a personal stake in the enterprise would get our national airline off the ground again and back into the profit column.

I referred earlier to the comparisons that can be made between the operational losses of Air Canada and the profits being made by private carriers in North America. Some time ago I saw a report that Northwest Airlines had a net profit of some $60 million in 1974. What struck me was not that Northwest had made a profit—that is fairly common among the privately-run American airlines—but, rather, that on closer examination we see that Northwest is similar in size and operation to Air Canada. Both operated in 1975 with revenues of under $1 billion. In Air Canada's case it was $957 million, and in Northwest's case it was slightly more than $800 million. Both operate the same size fleet, covering similar route distances. Air Canada ran 120 aircraft in 1975, while Northwest ran 113. Both pay, with two major exceptions, similar operational expenditures, including rental expenses which in 1975 were $10.4 million for Air Canada and $10.6 million for Northwest Airlines. Where they differ, however, is in profit—and they differ there in a shocking way. Northwest made more than $100 million in two years, while Air Canada incurred net losses of $22 million in the same two years.

Why is that, Mr. Speaker? Surely, when considering Bill C-17—which in a sense is a cover-up of the previous loss Air Canada has been incurring—we must ask ourselves why this airline has so consistently been in a loss position. No doubt there are several reasons, but chief among them is the fact that Northwest Airlines operated with a staff of slightly more than one-half that of Air Canada—11,268, compared to Air Canada's 21,293. Second, Northwest was faced with long-term debt financing amounting to $271.9 million in 1975, while Air Canada was saddled with more than $1 billion.

● (1420)

The 1975 Air Canada annual report drives home the importance of these two operating expenses. On page 3 we find that "wages and benefits rose by $45 million that year or 13 per cent and accounted for 45 per cent of the increase in operating expenses in 1975." On page 4 we find that "long-term debt increase rose by more than $8 million or 11 per cent". Page 5 of the report says that "if Air Canada had a more conventional debt-equity ratio the company would have reduced expenses by more than $30 million and would have shown a net profit of about $2.9 million." Mr. Speaker, these two excessive expenditures, bloated payrolls and astronomical debt, are commonplace among Crown corporations and this, I believe, is the real story behind Air Canada's plight.

I referred to Northwest Airlines, and some may think I singled out a certain airline in the United States for unfair comparison. But I could refer equally well to other American air carriers, either bigger or smaller than Air Canada. In Moody's reports I cannot find a scheduled airline in the United States operating at a loss.

Mr. Gilbert: Tell us about the Canadian Pacific.

Mr. Stevens: Yet here Air Canada is telling us that it needs to convert its debt in order to make a profit. Consider the position of American Airlines Incorporated. It made a net profit of $56 million on total revenues of approximately $2 billion. Interestingly enough, American Airlines have retained earnings of $263 million. Their capital, incidentally, is $28 million and they have a paid-in surplus in addition. American Airlines in past years earned enough to pay taxes, pay dividends and retain earnings. Its retained earnings position at the end of last year was $263 million. Consider Air Canada's balance sheet. As of December 31 last year, Air Canada had retained earnings of $18 million. Contrast those retained earnings with the $263 million in retained earnings of American Airlines. In addition, Air Canada borrowed extensively from the government of Canada. It needed to borrow money, not having accumulated retained earnings.

Now it says to the government, "Do not ask us to pay interest any longer on the debt. We will be better off if you increase our capitalization and do not ask us to pay interest." There is an important contrast in all this. American Airlines has been able to accumulate capital, whereas Air Canada has not. American Airlines has followed the free enterprise approach, not the socialist or bureaucratic approach. Operating under principles of private enterprise, the airline competed, earned money and accumulated capital, which in turn will permit it to be more profitable in future. We can do the same. More profits will mean more jobs for Canadians. Unfortunately, few state-run operations have the incentive to drive for profits and earnings.

Let me mention other airlines. Eastern Airlines, in the year ended last December, made a net profit of $46 million on total operating revenues of $1.8 billion. Let there be no doubt: the company must pay interest on its debt; it borrowed from the general public, not from Washington. It went for its funds to the open market. I touch on this point to emphasize that the loss figures of Air Canada show only part of the story.

Air Canada, the largest air carrier in the country, is the biggest user of our airports. Our airports are subsidized and to that extent the airport subsidy is a subsidy for Air Canada. Air Canada benefits from the subsidy to the extent it uses subsidized airports. I suggest, in this regard, the government hides

from Canadians the true cost of Air Canada operations and the misoperation of our airports.

I said earlier that the Post Office was marginally profitable in 1970. Apparently it is running a deficit of about $700 million. The same is true of our airports. Our airports were run profitably in 1970, but they are currently being run about $100 million in the red if you include the Mirabel loss of $56 million a year. This must stop. We, as members of parliament, must press the government to be more prudent with Canadian taxpayers' money. I say this because when the government gets into difficulty, it tends to favour its Crown corporations, or it requires Crown corporations to bail it out, so to speak. Let me give some examples. Not long ago, for reasons still not clear, the Department of Transport built terminal 2 in Toronto. Please remember that Air Canada and other carriers had used terminal 1. The department built terminal 2, expecting international carriers to use it. When the terminal was completed and the international carriers learned how expensive it would be to use terminal 2, they told the government they would not use it. There was no way American Airlines, KLM, Lufthansa and other international carriers were going to use terminal 2, because it was exorbitantly expensive.

What happened? The government turned to Air Canada, a Crown corporation, and told it to use terminal 2. That terminal is probably the most unsatisfactory terminal of its kind in North America, and Air Canada is forced to use it because it is a Crown corporation. Therefore, because the other carriers refused to use terminal 2, Air Canada was forced to use that white elephant. I could give many examples to show the unfortunate relationship between government and Crown corporations. Let me give a second example to show how effectively and efficiently airports are used in the United States. In that country all airports come under the jurisdiction of local authorities. For example, the New York airport authority has jurisdiction over Kennedy international airport, LaGuardia and Newark. Those airports all make money, and the reason is simple. Before an airport is extended or a new airport built, the local authority seeks the assurance of carriers who will use the airports that the airport will generate sufficient revenues to retire the debt to be incurred for carrying out the improvements or extensions.

We do not do this in Canada. The government of Canada, operating in a centralized way, hands down a decision from Ottawa to Montreal, Vancouver, Toronto, Calgary, Edmonton, and so on. The government makes up its mind as to what facility should be built, finances the building of the facility and is surprised when carriers say, "We cannot make a profit from the new facility" and refuse to use it. The next step is to turn to the Canadian public and say, "Now you must pay user tax to make up for our mistakes". Why should we be ending up with the largest airports in North America being financed at the cost of the taxpayers or of those using the airports? The Chicago airport authority told me, for example, that they do not intend to build additional facilities in Chicago, as far as they can see, until 1990 or 2000 because they do not think they will need them. Here we are speaking of O'Hare airport in Chicago which is handling seven times the number of passengers that are using Malton. But the Department of Transport is saying a new airport is needed in Toronto, notwithstanding the fact there is only one-seventh of the activity there is in Chicago, where they say frankly that they cannot afford a new airport.

● (1430)

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member, but his time has expired. Is there consent to allow the hon. member to complete his remarks?

Some hon. Members: Agreed.

Mr. Stevens: I thank hon. members for their courtesy. I shall be brief. It is a common trend, I would suggest, for companies such as I have been referring to—Air Canada, for example—to run up huge expenses. They go heavily into debt and eventually they come to us saying, "Let us off the hook". One need only compare the poor performance of Air Canada with that of Northwest Airlines or, for that matter, any other U.S. or privately-run airline such as North Central, Braniff, Southern Airways or Eastern Airlines, to see the difference which private control makes.

Leaner operations, smaller staffs, more efficient management—these are the trademarks of private enterprise, as opposed to enterprises run by public agencies commonly known as Crown corporations. I stated earlier there are now more than 1,200 federally-owned concerns in Canada, and we are still counting. To date we have poured more than $21 million into these enterprises, including hundreds of millions of dollars sunk into Air Canada. I suggest it is time to stop counting and to start subtracting. It is time to begin divesting ourselves of some of these Crown corporations, rather than creating new ones.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, the last statement made by my hon. friend from York-Simcoe (Mr. Stevens) is a significant one not only in terms of the present number of Crown agencies and corporations but in terms of suggested approach to national problems. If you look at developments in the last few years, Mr. Speaker, I believe you will agree with me that whenever there is a problem, whether it involves a certain field of business, transportation or whatever, governments everywhere, and this government in particular, appear to have decided that the only answer is an approach by way of a different from of the public service, namely, the Crown corporation.

I am not arguing that there is no place within the structure of a nation for government agencies, but there has been a growing temptation to look toward the public sector as an easy way out. I cannot believe that a country as vibrant as ours is supposed to be, or could be, a country as rich in human and material resources as ours, must go back to what I call a bottom line position, one which suggests that business does not have the initiative or the spark or the trustworthiness to secure the desired objectives. Unfortunately, this is an attitude which is easy to promote.

This morning we heard the hon. member for Winnipeg North (Mr. Orlikow) trying to justify the operations of a Crown agency by saying that even airlines in the private sector are finding themselves in difficulty today.

Mr. Gilbert: Canadian Pacific.

Mr. Baker (Grenville-Carleton): This afternoon he had the opportunity to hear a speech by my hon. friend from York-Simcoe who clearly showed that generalization to be untrue. Now that the hon. member for Broadview (Mr. Gilbert) has decided to interject by mentioning Canadian Pacific, I would remind him that the article to which the hon. member for Winnipeg North referred contained an interesting passage. Talking about the position of CP Air, that article had something to say which is of particular relevance to this argument. Perhaps the position of a private airline trying to compete against an airline whose operation is controlled by the government is an unique one. I quote from the article:

Apart from the fact that it is only allowed a quarter of the domestic market, CP Air finds itself on the outside looking in on many fat international routes. And even after it has won a lucrative service, Ottawa often dilutes the economic effect.

The Vancouver-based airline's service into the San Francisco, Los Angeles area is a case in point. This was a good money-maker for CP Air until the Liberal government allowed Air Canada to fly into the same region from Alberta thus syphoning off all those passengers who used to fly from Edmonton and Calgary to Vancouver and then take CP Air into California.

I am not standing here as an advocate of CP Air. They can be the advocates of their own cause. What I am saying is that the hon. member's remarks ought not to mislead us because, as the hon. member for York-Simcoe mentioned, many of these privately-owned airlines, enterprises which do not have unlimited funds upon which to draw, which have payrolls to meet and which pay taxes, federal, state and municipal, are making a profit. It is folly to say it cannot be done. It may be the case that CP Air finds itself in a little difficult position when it must compete, even on the level I have mentioned, with an airline operated by a government which has an all-pervading authority in regard to where that carrier may operate.

● (1440)

I started by saying that I had listened very carefully to the speech of my colleague, who I think has put his finger on one of the problems, namely, the belief there is in this country that only the government can carry out operations efficiently. The bill under consideration separates Air Canada from the Canadian National Railways, something for which the Progressive Conservative party has asked for over a period of many years. There is nothing at all wrong with the attempt being made to diversify the operations of Air Canada so it can pursue related areas of endeavour. But what concerns me is the demonstrated inefficiency of this government to manage its business enterprises, on the one hand, and, as the Auditor General has pointed out, the inability of this government to operate in an efficient accounting way.

This proposed diversification will be carried out under the aegis of a board of directors which will be appointed by, and subject to the direction of, the very group of men and women in this country who have been castigated by the Auditor General as among the most inefficient administrators in the history of this country. That is the tragedy of this piece of legislation. I look upon it as something we will have to watch. We will have to see that this board of directors does not become merely a convenient burial ground for the party faithful.

The Minister of Transport has said that diversification is a good thing, and I happen to agree. But if Air Canada is going to diversify, if it is going to change its share structure so it can compete equally in a financial way with other corporations, if it is to be subject to the same licensing provisions and its objects are to be broadened, and if, as someone said earlier in this debate, it is going to get off its knees and start to run instead of walk, and perhaps to fly, then I do not think the public of this country are going to stand by and watch the same failure of management which has befallen other Crown corporations and government operations.

Is there anything in the proposals in this bill which indicates that all of a sudden, because of a restructuring of Air Canada and its objects, there is going to be a different check made of its operations on behalf of the people of Canada, who will have to carry the freight for the present deficit, or for deficits which are to come—because there is no indication that the government is going to change its operation, except on paper?

Is there any indication that this parliament is going to be treated in any different way in terms of its being able to call upon this Crown corporation, to a large extent operated by public funds, to account? Can we be assured by this bill that it will become the rule of both law and tradition that this Crown corporation will automatically have its annual reports and financial statements sent to a committee of this House to be questioned, persued and examined? Is there any provision in this bill providing that Air Canada officials will be any more subject to scrutiny under the rules of this House than they are today? Not one word, not one whit, Mr. Speaker.

There is nothing in this piece of legislation which in any way gets at the heart of the operations of this Crown corporation and others. So do not let anyone think that this bill is the last word. It is far from that. There is some question that it is even the first word regarding what has to be done about the operations of this government in a field which is successfully occupied in North America by the private sector. Let not one member sit back and think that things are going to be any different.

What else does the bill provide? Is there to be an independent board of directors? No, Mr. Speaker. The board of directors will be the creature of the government. The Minister of Transport (Mr. Lang) will be able to stand up, like the Minister of Finance (Mr. Macdonald) and other ministers, and say, "I have nothing to say about this; it is in the hands of the board of directors of Air Canada". Therefore, he will be able to slough-off ministerial responsibility for the corporation, as is the case with a whole host of other corporations. All of us have had questions answered in this way in the House.

In terms of the auditing provisions of the bill, when the minister made his speech in the House on May 25 he said, as reported at page 5945 of *Hansard*:

Associated with this change, the present arrangement whereby the auditors of CN are by legislation also the auditors for Air Canada should be discontinued. Therefore the bill provides for the appointment of Air Canada's auditors by the governor in council—

What assurance to the House is that in terms of financial accounting? Auditors for other organizations have been appointed by the governor in council, but no annual reports from some of those organizations have been before the committee. In spite of this kind of appointment, what did the Auditor General say about it? He said that the financial accounting of this government and the use of public funds—these are almost his words—has amounted to a breach of public trust. What assurance does this bill give that there will be any change? None whatsoever.

Those are some of the questions which will have to be examined in a much broader way when this bill goes to committee. I do not believe the people of Canada any longer believe that with respect to management of business affairs which could be just as well left to the private sector the government has done as well, or that any government could do as well, as properly motivated people in the private sector.

As a result of the movement of governments at all levels toward becoming involved in what was normally the preserve, reasonably regulated of course, but nevertheless the preserve, of the private sector, legitimate profit has become a dirty word. Reasonable profit has become a dirty phrase. It is now improper for a businessman to say that it is reasonable for him to make a profit. The party to my left are always attacking the large multinational corporations and seem to forget that the business people of this country, in terms of employment and generation of jobs, are not the large multinational corporations but men and women who are prepared to put their life savings, what they can borrow, their hopes and reputations behind an enterprise. That kind of philosophy ought to be fostered in this country, not subjected to pressure. It is important that we put out of our minds the concept that the truth is that government by itself has all the answers to all the problems and challenges facing this country.

We consider it is the job of government to create the atmosphere where men and women who so desire can run risks, make reasonable returns and from time to time losses, in order to realize their capabilities. It is this kind of philosophy which seems to be overtaking governments—the easy way out, the unlimited treasury and the unlimited deficits, which have sickened this country and weakened it. There is a whole host of problems, not just the ones which afflict us in the private sector.

● (1450)

This bill is going to be examined very carefully in committee. It is a reflection of a continuing sickness in terms of the attitude of governments generally. This government has been in power for a long time. During that time Crown corporations have not gone down in number but have increased, and Crown agencies have not diminished but have increased. Why? It is because this government has decided that is the direction in which it will go. It will intervene, instead of asking the question: Is there some other way the job can be done just as well, and not place the burden upon the taxpayers of this country? This House and this country should examine that attitude and not just this bill.

[Mr. Baker (Grenville-Carleton).]

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I would like to say a few words on this bill entitled An Act respecting the reorganization of Air Canada. The main purpose of this bill is to select means of transport properly. We have already done it by selecting Via Rail, an independent body for freight transportation, which is a great improvement within the CNR system. Today the government introduces a bill providing that Air Canada becomes a Crown corporation separate from the CNR. I think that after 40 years, Mr. Speaker, it is time for Air Canada to become an adult company that will manage its own affairs.

The first few years will not be easy as it is already burdened with over a billion—and then some hundred million—dollar deficit; fortunately, Air Canada will be able to get, in addition to the $25 million in share capital and the $750 million in authorized capital provided for under the current legislation, a direct loan of $750 million guaranteed by the state. Finally, if necessary it will be allowed under the new legislation to borrow on its own credit. Air Canada will enter areas of operation which are related to air transport, like tourism. We shall remain the true owners of Air Canada, with everything this entails, and I refer immediately to the expected deficit. We have learned through experience that Crown corporations are very difficult to administer. They are more expensive to operate than private corporations, but our system is made up of public and private firms and we are faced now with the need to re-organize transports, something which I feel is most necessary in Canada today. Still I am very glad we had to deal with this bill today.

Besides, we all would be happy if Air Canada were for once to belie the saying that private companies are always more profitable than state-owned ones. The corporation will be under the management of a board of directors comprised of a chairman appointed pursuant to subclause 5 and at least thirteen other directors to be appointed for a term not exceeding three years.

We are anxious, Mr. Speaker, to know the successful candidates to find out whether the minister will abide by his government's bilingualism policy. I happened to check the bill to see which qualifications the directors and board members should have. Here is what it says about those qualifications:

(2) No person is eligible to be appointed or to continue as a member of the Board . . .

That is the first qualification: to continue as a member.

Here is the second:

. . . who

(a) is not a Canadian citizen ordinarily resident in Canada; or

(b) has attained the age of seventy years.

I thought it was sixty-five, but we read "the age of seventy years".

I remain somewhat puzzled because nowhere is there any reference to language requirements in the choice of those people, and yet that would be very important considering the bilingualism policy advocated by the government. There should at least be a short clause requiring the majority of directors to be bilingual. That is my criticism. I say that to the minister so that the question might be raised and discussed in committee because when the matter of bilingualism is not included in a legislation, we are likely to face many difficulties. Everyone is aware of the difficulties we had about the application of bilingualism and the use of French in this Crown corporation over which the government seems to have lost control. All members surely recall the notorious case of the Gens de l'air, CATCA and CALPA, which is not yet solved, as we are still waiting for the decision of the various courts because the government cannot apparently decide anything by itself; they have to have this decision made by a court.

Today we see that there is still much room for improvement as far as bilingualism in Air Canada workshops is concerned, both among air traffic controllers and aircraft servicing personnel. Air Canada has certainly not shown much enthusiasm to try at least to submit to the will of the government. I see that the government is willing to force Air Canada to act but I think they do not take the means to do so. Again, I hope that the committee will discuss the possibility of including this matter of bilingualism in the bill once for all. We have been talking about bilingualism for years. I think this matter will remain a dead letter, as long as we talk about it, as long as it will not be included in a piece of legislation requiring that this or that group is bilingual or unilingual, or that it should at least try to learn the other language.

I think we have had enough problems, and the air pilots issue has still not been settled. We have had all the trouble in the world to solve that bilingualism problem, and all we got was the threat by the pilots' union to prevent French Canadians in Quebec from using their language in the air. Everybody said it was a scandal, and they were right. I think we have a good opportunity to discuss it here, while we are dealing with this bill to transform Air Canada into a Crown corporation independent from the Canadian National. If we miss this opportunity to insert in the law what the present government advocates throughout Canada, we will again postpone the settlement of the bilingualism issue and permit certain associations to quarrel between themselves and make the Canadian people suffer because they are too stubborn. I therefore hope to see this obligation included in the bill, because if it were the other way around, if English were at stake, if the survival of the English language were threatened, I am sure the problem would have been solved a long time ago.

In the meantime, we are told that both languages are recognized in Canada, and the government has launched its bilingualism campaign. I do not see why this would not be included in the new legislation, to oblige employees of Crown corporations to abide by the law. If they refuse to do so, they can just go work elsewhere. The least we can ask is that laws be clear, so that people stop feeling insecure like today.

I was just saying, Mr. Speaker, that we have found evidence in the services and I believe it was quite conclusive. I read an article this morning which proves once again how the CBC neglects, not to say despises, this appeal from the government. And just to quote one case, I have here an article published in *La Presse* of May 26 and written by Mr. Raymond Laplante, a consultant announcer for the CBC. I mention his name lest some ministers accuse him of being a separatist. Yet he is not a separatist; he merely pleads in favour of the French language. This announcer was returning from a trip to Vancouver. I quote what he says:

Last May 13, a Friday, defying all superstitions attached to that fatal date, I was aboard Air Canada flight 150 from Vancouver to Montreal. Except for a few clouds above the Rockies . . .

—and so on. Further on he says:

Is there no one among your French-speaking customers who enjoys classical music? Do you think it would be too lofty for French Canadians?

Because all he heard on board was English, English songs, English music and all.

Once the classical music concert over, I switched to French songs, presented in French, naturally. But what a French! Something horrible with lot of nonsense at such a pace that you would need six hours more of flight to note them properly.

That is why he headlined his article, and I quote:

Lousy French at Air Canada. And that is not all! How many times during my numerous flights on Air Canada did I seethe inwardly on hearing some of your hostesses and stewards speak broken French in such a way you cannot even manage to decipher the message. What would happen during an emergency landing, when information has to be clear and precise, particularly in such situations where nervousness makes it more difficult to communicate?

That is the point I want to stress, Mr. Speaker. If CATCA and CALPA were making a plea against bilingualism, while we cannot even get a single word in French, what would happen in an emergency? That is what is called working towards safety.

Mr. Speaker, I will not read the whole article because it is rather long but I hope the remarks which were made about bilingualism have been noted and, as I said before, I want this question to be referred to committee, included in the legislation and made mandatory. Mechanics, hostesses and management should not forget that Air Canada is a Crown corporation and, as such, the property of a bilingual country. They must try to get used to the idea that Air Canada is owned by a bilingual country. We are all paying for it and we are glad to do so as long as it is providing good service to the whole population. This service must necessarily be bilingual.

● (1500)

[*English*]

Mr. Stan Schumacher (Palliser): Mr. Speaker, I suppose it is appropriate that we should be discussing this bill now as Air Canada enters its forty-first year of operations. Maybe after 40 years of operation it is time for any organization to be

reorganized, but I would have thought that the real reason for the existence of Air Canada or, as it was then called Trans-Canada Air Lines, was to provide a national air service for this country in the absence of any initiative by the private sector to provide such a service at the time.

Back in 1937 there was a great economic depression in the world and there was not a great deal of investment or development anywhere. I suppose there was clear justification for the establishment of a national air transportation service under the aegis of the Government of Canada at that time. I just regret that now, after 40 years of operation, many of which have been very successful, we are not moving toward a more independent type of operation which would give some incentive to this part of our air transport service to make a profit and to operate efficiently. This is a very important field of endeavour in Canada, and unfortunately, because of the way it has developed in the last number of years, it has not been particularly profitable for the people it is meant to serve. There have been examples of increasing deficits. We are being assured now that Air Canada is turning things around.

● (1510)

My friends in the New Democratic Party have suggested that losses have not been confined just to Air Canada but that other airlines have also suffered losses. They referred to the experience of Canadian Pacific Airline. I suggest that the reasons for the losses of Canadian Pacific are much different than the reasons for the losses sustained by Air Canada and relate primarily to the fact—which is a matter of government policy—that Canadian Pacific is restricted to 25 per cent of the available seats allotted to the national carrier, and Air Canada has the remaining 75 per cent. That puts Canadian Pacific at a disadvantage, and I personally think that the government should be trying to promote more competition with a view to making Air Canada more efficient and profitable rather than maintaining this protective mantle over Air Canada, as the government has done and seems to be persisting in doing.

Apart from that restriction we had the example last year of the bilateral routes. Canada obtained 20 new routes, 19 of which were assigned to Air Canada. I do not see any equity or any encouragement to Canadian Pacific there, and in my view that is one of the reasons why Canadian Pacific has not been doing very well recently. In particular, Canadian Pacific made a big investment in the west coast traffic to San Francisco and California generally. It developed that traffic, but what happened when these bilateral agreements were entered into? Air Canada was assigned new routes into California at the expense of Canadian Pacific. I think that was a very unjust and inequitable way for the Government of Canada to proceed.

Nevertheless, we are faced with Bill C-17, which is supposed to re-organize Air Canada and put it on a more businesslike and efficient footing. The bill affects all the major air carriers in Canada, but in particular it affects the protected flag carrier, Air Canada. Because it affects more than one carrier, I think something should be said about the Canadian air industry in general. In 1975 commercial air carriers in Canada transported more than 20 million passengers. That came very close to moving the entire population of this country, and that only serves to point up the cardinal importance of air travel in Canada. In addition to that, three million travellers arrived in Canada by air from abroad. After having paid their air fares they spent half a billion dollars here. That accounts for a significant contribution toward a net gain in the economy of Canada.

On the whole, air travel has grown safer, faster, and more efficient. It has tried to maintain reasonable fares when the cost of living has continued to increase. It has reached out to serve isolated communities. It crosses oceans and continents in a matter of hours. However, there is a real fear that current government policies are severely damaging the industry. We hear a great many complaints about service and about delays in air travel. In our own travels to and from our constituencies we experience such annoyances and inconveniences ourselves. We certainly do not like being subjected to these situations, and we can fully understand and appreciate the feelings of vast numbers of other Canadians who complain about the inefficiency of the operations of Air Canada. Of course Air Canada tends to take the brunt of this because, as I pointed out, it is allotted 75 per cent of the transcontinental business through government policy.

In 1975 Canadian air carriers lost $18.8 million. Regional air carriers lost more than $750,000. It seems to me, from the information I have, that Air Canada's losses have been higher than any of the other carriers. The explanations of Air Canada have never satisfied me. Air Canada has been able to obtain the best routes. It has left the short hops and short hauls to the regional carriers, but nevertheless the regional carriers seem to be able to make a better go of this small potatoes type of business than Air Canada can with the cream of the crop.

It is quite clear that something needs to be done. The basic question is whether this bill will accomplish anything. In the ten years prior to 1975, that is, from 1965 up to 1974, air revenues increased four times. But net income fell to less than half, while the number of passengers carried increased three times, and revenue per mile went up three and one-half times. At the same time operating costs went up four times and wages doubled. However, there appears to be some hope.

The Ministry of Transport now says that no more airports will be built without the airlines being consulted first. That is a very refreshing attitude, and it is nice to see some common sense being injected into the operations of the government. I just wonder what would have happened to Mirabel if the airlines had been consulted in any way, shape or form about the construction of that massive boondoggle which was, in my view, built strictly for political reasons at the expense of the whole economy. They probably will turn out to be the wrong political reasons, and it is likely that nobody will be satisfied with what has happened there. Thank goodness the political situation which developed two or three years ago stopped a similar thing happening at Pickering, and we hope that the

new found reason of the Ministry of Transport in consulting the major users of these facilities will be lasting.

In the case of the airport at Calgary it looks as though we are going to have a wonderful facility. The difficulty is that as a result of design costs which have been built into it—which are the complete responsibility of the Ministry of Transport—most of the prospective users of that facility are unsure whether they will be able to utilize the facility at the cost being mentioned by the Ministry of Transport.

The key to operating any business successfully is profit, and I think that certainly should apply to Crown corporations as well as to any other type of corporation. Unfortunately Crown corporations seem to be insulated from that imperative more than corporations funded by individuals with their own money. Profit is important to any airline because of the cost of replacing aircraft, among other things. In 1970 a Boeing 747 cost $24 million. In a couple of years from now the same aircraft will cost between $45 million and $50 million. I must ask whether this bill will allow Air Canada to make a profit more readily, or if it will further hamper the airlines money making efforts.

● (1520)

I think at this stage we should look at some of the provisions of the bill. The most significant proposals are, first, authorization for Air Canada to engage in a wider range of activities; second, ownership would pass from the CNR directly to the government; third, the amount of authorized capital stock would be increased; and fourth, Air Canada would be permitted to seek debt financing in the market place and not be compelled to apply to the government for any future financing.

With respect to broader powers, Air Canada is rather restricted by the terms of the present act in the type of activities in which it can engage. The proposed act broadens the "capacities and activities" which the company may undertake, both within and outside Canada. Aside from operating the business of an air carrier, there are references to hotels and other accommodation; surface vehicles and facilities for the transportation and housing of persons, goods and mail; services, facilities and equipment for organizing and conducting tours; catering and providing other passenger-related services, including reservations for transportation and accommodation, computer and tele-processing systems, and technical, advisory and consulting services. Furthermore, the new act permits the company to establish or invest in subsidiary companies, provided authorization of the governor in council is first obtained.

On the question of ownership it will be noted that up to the present Air Canada's capital stock has always been held by the CNR—itself a Crown corporation—which meant that Air Canada was in effect a CN wholly-owned subsidiary. As shareholder, the CN was authorized to appoint five members to the Air Canada board of directors, while the governor in council appointed four. Of course cabinet appointed the board of directors of CN so it was pretty well able to control the appointment of all directors. The proposed act stipulates that shares of Air Canada will be held by the Minister of Transport "in trust for Her Majesty in right of Canada", and that shares are not transferable. It further provides that the corporation will be under the management of a board of directors comprised of the chairman and the president and not more than 13 other directors, all of whom are appointed by the governor in council.

I think the words "governor in council" are the key to this bill and the dilemma in which the government finds itself. On the one hand it wants an airline operation that is set up under the guise of a Crown corporation and which should have some degree of independence. Because of the history of bad management in Air Canada, however, largely as a result of actions of people the government itself appointed to run the corporation, it did not want to give it too much authority to act on its own. On the face of it the bill gives Air Canada broad powers, but like so many Liberal ideas, appearances are deceiving. While it appears the reorganized company can do almost anything, the hooker in this situation is that nothing can be done without the approval of the governor in council.

As the hon. member for Grenville-Carleton (Mr. Baker) pointed, out, Air Canada which is supposed to be an independent Crown corporation, cannot even appoint auditors without the approval of cabinet. As far as auditors are concerned I think all Crown corporations should be subject to audit by the Auditor General of Canada. I do not want to slander the auditing profession of this country, but I have seen some rather strange certificates issued by auditors of government agencies and Crown corporations. I suggest the reason they are strange is that the auditors want to hold the accounts. We need a truly independent auditing service of government agencies if we are to get the best value for our dollar. I think it is very strange indeed that the government can use the appointment of auditors as patronage. That should not be involved with Crown corporations.

When this bill goes to committee I hope very serious consideration will be given to the appointment of the Auditor General of Canada as auditor of this organization.

I believe that Air Canada is being transformed into an agency of the Minister of Transport (Mr. Lang); it is going to join his fiefdom. This bill is not a step toward making the corporation compatible with normal commercial enterprise as should be done. I think the philosophy of this bill and the reason why so many possible objects of the corporation have been listed, is that anything that is not listed is totally beyond the power of the corporation. In itself that is a restriction on the flexibility the government says it is trying to give Air Canada in the management of its day-to-day affairs but, because of what is being done here making Air Canada an agency of the government, we are to have continuing troubles with language.

The hon. member for Roberval (Mr. Gauthier), who spoke before me, complained that Air Canada was not living up to the requirements of the government's bilingual program. I think part of the cause of the sense of alienation that has developed in the west is the fact that Francophone cabin crews—which the hon. member says are inadequate for use in

Quebec—are operating there. A lot of passengers complain of inadequate service because the crews do not understand English very well. That shows a lack of flexibility, or a breakdown of some kind. We find crews who cannot understand French operating in Quebec and ones who cannot understand English operating out west. It is not a good situation. I do not think the company's being closely identified with the government in its day-to-day operations will help the situation.

● (1530)

I use this opportunity to complain about the procurement policy of Air Canada, particularly with regard to meat. When I asked back in 1971 why Air Canada was not using Canadian beef exclusively for in-flight meals, I was told there was not enough to go around. That answer was not satisfactory then, and is even less satisfactory now, considering what our livestock industry has been through in the last three years and its present state.

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, I rise on a point of order. I wonder if the hon. member would permit a question to clarify something he said about the linguistic capacity of Air Canada staff.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Schumacher: Mr. Speaker, I permit the hon. member to ask a question and will do my best to reply.

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, if I heard the hon. member correctly, he suggested that Air Canada crews on duty in Quebec, in aircraft, and western crews working out west have difficulty in communicating in one or both of the official languages. Is the hon. member saying to this House that some Air Canada crew or staff out west cannot speak English?

Mr. Schumacher: Mr. Speaker, it has been my experience that a good number have a limited capacity to speak English, in the same way as the hon. member for Roberval complained that crews operating in Quebec have a limited capacity to speak or understand French.

Mr. Mazankowski: Is that clear?

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, was the hon. member stating his opinion or stating a fact? I should be interested to know the basis for his statement. I wonder if he could give us that.

Mr. Mazankowski: Read *Hansard*.

Mr. Gauthier (Ottawa-Vanier): Could the hon. member table his facts, or was he only giving his opinion?

An hon. Member: One cannot table a stewardess.

Mr. Schumacher: One may like to table a stewardess; I don't know.

[Mr. Schumacher.]

Mr. Mazankowski: When did the hon. member last table a fact?

Mr. Gauthier (Ottawa-Vanier): I just want the facts.

Mr. Schumacher: I know my hon. friend does. Perhaps he feels this is not the place for opinions.

Mr. Mazankowski: This is not the place for debate, I suppose.

Mr. Schumacher: I remember the former member for Red Deer, Mr. Thompson, saying we must be careful because this place might turn into a political arena.

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, I rise on a point of order. If the hon. member is stating a fact, I will accept that; or if he is stating his opinion, I will accept that; but I want to be clear if he is stating an opinion and not a fact.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Schumacher: Mr. Speaker, in my opinion it is a fact.

Mr. Roberts: In your opinion it is a fact that what he says is a fact is an opinion.

Mr. Schumacher: Perhaps we can best resolve this question by leaving it in that spirit. I have concluded my remarks on Bill C-17 and thank hon. members for listening.

Mr. James A. McGrath (St. John's East): Mr. Speaker, there is a distinct possibility that we may become involved in a debate this afternoon.

Mr. Mazankowski: That would be terrible.

Mr. McGrath: Heaven forbid that we should so spoil the tranquillity of a Friday afternoon in this House, the afternoon of the most productive day of the week. I hope hon. members will pay their usual, studied attention to the remarks I am about to make.

I will take advantage of the opportunity afforded by the debate on Bill C-17 to raise some questions about Air Canada and the service our national air carrier provides in my part of the country. It is appropriate that I should do so because we are considering what will probably be the most fundamental change affecting Air Canada since its founding 40 years ago.

I find that my position is somewhat different from that adopted by some of my colleagues. I come from a part of the country in which Air Canada enjoys a virtual monopoly in air transport. Consequently the provisions of this bill which would make the airline more accountable to government and hence parliament are all the more meaningful and relevant.

It has been somewhat difficult to raise questions in the House about Air Canada and the quality of Air Canada service, because of the ambiguity of Air Canada's position vis-à-vis the government and its parent Crown corporation, Canadian National Railways. Given the inflation which has overtaken our economy and the higher price of fuel, it is true

to say that air travel is being restricted to fewer and fewer people. Unless the government recognizes soon the importance of Air Canada and of air travel in this country, only members of parliament, senior civil servants, and businessmen on expenses allowances will be able to fly.

Mr. Malone: Shame!

Mr. McGrath: That may be all very well in the corridor regions of central and western Canada where, because economies are buoyant, people can afford air travel. But the situation is somewhat different in my part of the country. Many people of my area depend almost exclusively on aircraft for travel to Montreal, Ottawa or Toronto. The hardships and restrictions arising from the present situation should therefore be obvious.

The crisis in energy prices is affecting the attitude of the airlines. I suppose one can hardly blame Air Canada for its attitude. It must pay the same inflated price for fuel and the same wages as its competitors must pay. Consequently the company has sought to reduce the number of its less profitable runs. That policy has reduced the frequency of air service available to people resident in my constituency. As I said, for many of my constituents Air Canada proves to be the only efficient way of travel to other centres of this country. Let me demonstrate what I mean.

Last year we were served by an L-1011. Because of the large number of empty seats on the flight, I felt the use of such equipment was not justified. That aircraft was supported by three DC-9s and one DC-8. That provided adequate service. Indeed, as a result of the L-1011 there was a surplus of seats. I knew this situation would not be tolerated for long. I made the point before hearings of the CTC on regional air transport that we did not want the big equipment, that the L-1011s could be taken off and replaced by DC-9s—in other words, increase the flight frequency. This would result in increased economy in terms of utilization of seat capacity because more flights would be available throughout the day. That situation merely resulted in the present schedules. We have no L-1011. The number of flights has been reduced even further to the point at which, at the present time, we have only four flights. This has to be viewed with concern.

● (1540)

I began my remarks by saying I supported in the main the principle of this bill which, it seems to me, would make Air Canada more accountable to parliament and give us a better opportunity to monitor these arbitrary changes which are made from time to time by Air Canada in the interests of economy. After all, the people who depend on Air Canada, since it enjoys a monopoly position, are the ones who bear the burden of these economies.

I should like to lay before the House the situation which prevails at the present time. There are no direct flights from St. John's though it has a catchment area of approximately 250,000 people. Air Canada is the only national carrier coming in there apart from the regional carrier about which I shall have more to say later. Air Canada has no competition on this run from St. John's to Halifax, Montreal and Toronto.

In the past we always enjoyed the privilege of a direct flight to Montreal. Now we have to go through Halifax, sometimes necessitating expensive stop-overs. On Saturdays there is only one flight to Montreal even via Halifax, so the situation at weekends is even worse than it is during the week. There is now only one direct flight to Toronto. Here is a market which depends solely on Air Canada.

My hon. friend made reference to EPA. EPA does not at this moment enjoy the right to carry traffic direct from St. John's through Halifax to Montreal. If it did, that would constitute a different situation entirely. Pending before the CTC at the present time is an application to provide such a service. Should it be granted, there would be some element of competition, and I submit it would result in some improvement in the service. The present service provided by Air Canada shows a marked deterioration the further east one gets. By the time it reaches my part of the country the service has deteriorated considerably.

If the CTC rules favourably on this application the situation will be changed not only in terms of better service but in terms of the financial viability of our regional carrier, Eastern Provincial Airways. This is a matter which is of vital importance because EPA has to cope with the same conditions as other airlines when it comes to equipment, fuel supplies, and personnel. Under its licensing conditions it has to provide service on uneconomic runs within the region, and unless it has access to profitable runs to offset the losses incurred, something obviously has to go. Either the service goes or flight frequency has to be reduced. In any case, the travelling public is the loser.

I can understand the importance of utilizing the substantial facilities which now exist at Halifax International Airport but I submit that a market with a catchment of 250,000 is sufficient, especially at this time of the year, to warrant special consideration. Why cannot we have a direct flight from St. John's to Montreal? Why cannot there be a direct flight from St. John's to the national capital, terminating in Toronto? We are the only major city in the country, indeed the only provincial capital in this part of the country, which does not have a direct service to the nation's capital. As I see it, there is not likely to be any substantial improvement. We will get an extra flight as of the latter part of June and this is supposed to handle a volume of traffic which is increasing annually as tourism grows.

In all this we have to consider the increasing importance of St. John's as a convention centre. This year a number of major national conventions are taking place in our city in addition to the Canada Summer Games. This is bound to mean a substantial increase in tourist traffic.

I take advantage of the second reading of this bill to put forward these complaints. I could spend time talking about the cancelled flights for which the excuse of adverse weather forecasts is given. Later it usually turns out that the flights had been cancelled because, in the opinion of dispatchers in Montreal, there was not enough traffic to warrant putting in

the equipment. So the 15 or 20 people who have booked flights and who are depending on Air Canada are suddenly stranded. This happens frequently. I know it happens. I have established beyond any doubt that it happens, but I cannot prove it. Moreover, I have no means of redress open to me because the annual Air Canada report no longer comes before the Transport Committee as used to be the case.

I hope that some of the measures being taken in the bill will make the airline more accountable to the representatives of the Canadian people because, after all, we are in the position of being shareholders. It is our airline and it ought to be accountable to us.

Reference has been made to the provisions having to do with the board of directors. I should like to see some statutory term set for these directorships to give the directors greater independence and greater ability to respond to the needs of the airline while at the same time remaining accountable to parliament. This raises a question which was touched on by my hon. friend who just resumed his seat.

It is proposed to change the structure of Air Canada in such a way as to make it a separate Crown agency. I would draw the government's attention to the recommendation of the Auditor General with regard to the auditing of accounts of Crown corporations. Last year the airline got into difficulties over illegalities in connection with its transactions with a travel agency. As a result of some of the measures proposed in this bill, Air Canada will now be able to engage in necessary transactions of this kind without resorting to the methods which came under such criticism earlier. But if Air Canada were accountable to the House financially through the Auditor General it would be an even greater safeguard.

● (1550)

Getting back to the board of directors, I should like to see some kind of statutory term for people appointed to represent the interests of the taxpayer. I should like to see some account taken of regional representation, not in terms of one representative on the board for the Atlantic provinces but representatives of peak traffic areas where the airline is vitally important as the single carrier. For example, there is no other way at the present time out of my province, unless one wants to hazard a 600 mile drive along the trans-Newfoundland portion of the trans-Canada highway and then cross the Gulf of St. Lawrence, which takes at least two days, than to use Air Canada. I believe that representation on the board should take into account this kind of regional situation. Each province should be represented on the board of directors instead of one individual representing the interests of all of the Atlantic provinces, including the Gaspé region of Quebec, and several members representing central Canadian provinces like Ontario.

I could go on to outline the complaints I have received. Not a month goes by when a complaint does not come over my desk about the quality of service of Air Canada in my constituency. But I must say this about Mr. Taylor, the new president of Air Canada. I have noted a much more receptive attitude to complaints. In his responses I have noted a much more positive approach to customer complaints raised through members of parliament. I congratulate him on the excellent job he seems to be doing. He has certainly succeeded in restoring morale, which had sunk to an all time low and which itself seriously adversely affected quality of service. I believe it was an enlightened appointment by the government of a man who had worked his way up through Air Canada from ticket agent to the top. He understands the people who work within the airline, and as well has had direct experience of dealing with people over the counter. He understands the problems encountered on a day to day basis by the travelling public.

With his comprehensive experience we have at the head of our national airline a man who is able to make a positive response to problems and to handle them in a most constructive way. I believe he has brought about a 1,000 per cent improvement over the former ambivalent situation where the chairman of the board had executive authority and the president of the company had administrative authority and you did not know with whom you were dealing. Not only that, but middle management and the operating personnel were having difficulty over what the line of command was within the airline.

I look forward to this bill proceeding to committee and to the government providing us with explanations as to what exactly is intended by some of its provisions, especially with regard to the appointment of directors. I should like to know what are the intentions of the government with respect to establishment of schedules and timetables. Surely the public has a right to give some input to the scheduling of Air Canada, although not so much in competitive situations because there the competitive factor has to be uppermost. The company must be allowed to compete on an equal basis with the private commercial carriers. But in areas where Air Canada enjoys a monopoly, of which there are a number, including my own province, the public should express its views through various organizations such as boards of trade and chambers of commerce. Air Canada can also hear what the public has to say by coming to parliament every year. There should be this kind of conduit, if you like, to provide direct public input into the scheduling of the airline.

With those few words I look forward to the bill going to committee and to hearing from the minister. I look forward to hearing what the transportation committee will encounter as it visits the Atlantic provinces. It begins to tour the Atlantic provinces on Sunday, and one of the areas it will look into is the role of regional airports and regional air traffic within the Atlantic provinces. This is something which has a direct bearing on Atlantic Canada because it raises the whole question of a regional air policy, one which will make it possible for regional air carriers to continue.

The Acting Speaker (Mr. Ethier): The hon. member for Battle River (Mr. Malone).

An hon. Member: Four o'clock.

Mr. Arnold Malone (Battle River): Mr. Speaker, I hear "four o'clock" from someone on the other side of the House. If they want to call it four o'clock I would not argue with that, but I will leave the decision to you.

The Acting Speaker (Mr. Ethier): The hon. member for Battle River.

Mr. Malone: Mr. Speaker, it is a privilege to speak on Bill C-19, even though it is not much of a privilege to see what is in the bill. Once again this is a bill which attempts to give the government of this country more and more control of things which ought to be left, if not to the private sector, at least to the sense of initiative of the people who operate within the confines of the private sector.

Let me look at the track record of the government's socialization of Canada. I do not mean in terms of human relations but rather in terms of our economic structure. One thing that becomes readily apparent is that we are fast losing what we would call an enterprising mentality in this country.

The Acting Speaker (Mr. Ethier): Order, please.

[*Translation*]

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Ethier): Motion No. 15. Shall the order stand?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

Order No. 16, the hon. member for Davenport (Mr. Caccia). Shall the order stand?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

Order No. 18, the hon. member for Hastings (Mr. Ellis). Shall the order stand?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

Order No. 19, the hon. member for Waterloo-Cambridge (Mr. Saltsman). Shall the order stand?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

Order No. 22, the hon. member for York Centre (Mr. Kaplan). Shall the order stand?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

Order No. 25, the hon. member for Calgary North (Mr. Woolliams). Shall the order stand?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

Order No. 27, the hon. member for Victoria (Mr. McKinnon). Shall the order stand?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

Order No. 29, the hon. member for St. John's East (Mr. McGrath). Shall the order stand?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

* * *

CRIMINAL CODE

AMENDMENT RESPECTING ISSUANCE OF DISHONOURED CHEQUES

Mr. J. Larry Condon (Middlesex-London-Lambton) (for Mr. Turner) moved that Bill C-230, to amend the Criminal Code (presumption from cheque issued without funds), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

● (1600)

He said: Mr. Speaker, I feel compelled to speak in support of this bill both out of friendship and respect for my colleague, the hon. member for London East (Mr. Turner). I share his concern for the effect of cheque frauds, as much for the sake of the consumer as for the sake of the businessman and the merchant, in particular. The bill proposes an NSF cheque is, in itself, sufficient reason to presume that something of value was obtained by false pretence, unless the accused pays his dishonoured cheque within 30 days of its presentation at the bank.

As a rule I am reluctant to speak on any matter which touches upon the Criminal Code. Since I am not a lawyer by profession I find myself at some disadvantage when it comes to understanding the full impact of changes in the Code, especial-

ly as they might affect the incomes of lawyers and the economics of practising law. I notice the hon. member for Toronto-Lakeshore (Mr. Robinson) is nodding his head.

Mr. Baker (Grenville-Carleton): He blushed.

Mr. Condon: I would not want to cut into the livelihood of anyone in that noble profession, but it does seem to me that the clause under consideration, in its application and its operation if not in its wording, puts businessmen and merchants, in particular, through a great deal of unnecessary legal expense in order to recover payment for bad cheques.

It may seem that nothing could be more satisfactory than the law as it is presently worded. At present there is a presumption the accused has obtained something of value by false pretence, if he has passed an NSF cheque, unless the court is satisfied by evidence indicating when the accused issued the cheque he had reasonable grounds to believe that it would be honoured, if presented for payment within a reasonable time after it was issued. It seems to say that there is a presumption of intent to defraud whenever an NSF cheque is written. The law places the onus squarely on the accused to prove his NSF cheque is not what it appears to be and that there was no attempt to obtain something of value by false pretence.

Let us admit there are a good many reasons for writing a bad cheque. In cases of honest error, the maker or drawer, as he is called in the banking trade, will redeem his worthless cheque promptly, after having been notified that his cheque was dishonoured. Payment in such cases, or even arrangement to pay, is sufficient evidence to indicate the cheque drawer did not intend fraud, as it might otherwise appear.

Even if this allows the drawer the benefit of a large doubt in many cases, all the merchant wants is the payment he thought he had received in the first place. Truthfully, payment is the only completely satisfactory evidence that there was no intent to defraud. According to the wording of the present law, although the bad cheque writer is required to prove he thought his cheque would be honoured, he is not required to honour his cheque in order to satisfy the courts his intentions were honourable. In practice, and quite contrary to the wording of the existing law, the prosecution is required to prove the drawer obtained his goods under false pretence. Experience has shown chances for the prosecution to obtain a conviction are quite slim, I suppose because fraud is rightly considered a serious offence and the courts would rather err on the side of the accused.

In its operation the present law is so inequitable it sometimes seems even to conspire with other laws against the honest businessman, as in the case of a landlord who recently complained he was unable to obtain the assistance of police in prosecuting a tenant for fraud, even though the tenant had issued not one but several NSF cheques for rent which was now in arrears. The police explained the tenant's location was known to the landlord, with whom he was in a contractual relationship. There could, therefore, be no criminal offence. The tenant felt secure under Ontario's Landlord and Tenant Act, at least until spring. The courts would rather look upon this tenant as a bad debtor and assume that writing NSF cheques for rent is just another way of not paying the rent on time.

The landlord in this case did not specify whether the cheques were postdated. If they were, I might agree with the courts in preferring to look upon this as a bad debt. It ought to be made clear a bad cheque is not the same as a bad debt when it is written and delivered, that is to say, issued by the drawer in payment for something of value, whether to buy a camera, a car, or to pay the rent.

I do not have to remind hon. members present that a personal cheque, like a bank note or dollar, is a piece of commercial paper, payable at sight or at the time it is presented for payment by the payee. Like the bank note, it is issued on the faith that there are funds to cover it; but unlike the bank note it is not legal tender and does not have to be accepted by a businessman. The personal cheque is a convenience and a protection to the consumer, but under the operation of the present law against cheque frauds it is nothing but an expensive risk to the merchant. When a merchant accepts a personal cheque, he does not intend to extend credit. He is not expecting payment at some future date. He accepts a personal cheque as a substitute for cash, usually banks the cheque with his cash the same day, and immediately receives payment from his bank.

When a cheque is returned to the merchant because of insufficient funds, it is charged back to him, and only then does he discover that, contrary to his expectation, it was not a cash sale. If the personal cheque he accepted represents a line of credit to his customer, or some vague promise to pay, the merchant could at least have verified the credit standing of his customer so as to determine the likelihood of his ability to pay, given the status of his present obligations and the record of his credit dealings in the past, not to mention his income. Instead, the merchant asks for identification, considering quite rightly his principal obligation at the time of sale is to verify his customer is whoever he says he is. After all, the law does presume an intent to defraud on the basis of an NSF cheque. This should inspire the merchant to have some confidence in the personal cheque as an alternative to cash payment.

As we have seen, the operation of the law does not live up to its wording. One of the inevitable results is that personal cheques are being refused everywhere by merchants who have been disillusioned by a law which does not mean what it says. When someone passes counterfeit bank notes for cash, not even restitution will save him from the slammer. When a customer deliberately passes an NSF cheque, a counterfeit cheque in other words, restitution or payment is not even required in order to show good faith and to clear him of the presumption of false pretence, which the law says his worthless cheque represents.

What kind of justice is this when the merchant must take all the risk; when the law requires nothing from the cheque counterfeiter by way of payment, but prefers to look only at his bank account and his circumstances in order to determine

his guilt or innocence of fraud; when the merchant must then assume the cost of civil prosecution in what is most often a fruitless effort to recover payment for something of value, which the court thinks of as a debt, as though the merchant had somehow extended credit at the time of purchase? Having stolen the merchandise in the first place, the white collar thief is then confirmed in possession of his goods by the frequent misapplication of law by the courts which prefer to call the thief a borrower. Shoplifting may now be considered theft, but pay for your groceries with a worthless cheque and the courts will call you a bad debtor.

● (1610)

The advantages of writing a bum cheque are nowhere more striking than in the application of the present law whereby the cheque counterfeiter is, in practice and in contradiction of the evidence which his rubber cheque provides, presumed innocent until proven guilty of doing it deliberately. The criminal law offers no satisfaction to the merchant. It does not provide for repayment, nor does it deter others from committing the same kind of crime.

According to Sgt. Lewis Coray of the London police department, fraud division, one of the reasons for the 150 per cent increase in bank frauds since 1972 is the lack of risk in committing white collar crimes. Sergeant Coray agreed with a number of other participants at a recent seminar on fraud, sponsored by the Canadian Banker's Association, who found the courts at fault in not imposing fair sentences on the relatively few who are convicted of fraud. Cheque thieves, he said, too often "Get off with a slap on the wrist."

When a cheque thief is convicted and sentenced for his fraud, the crime is usually spectacular, and the conviction makes headlines, as it did in the London *Free Press* of February 3 this year, when one woman, unable to make restitution for 53 bad cheques, amounting to almost $5,000, was reported to have been given an indeterminate sentence not to exceed 18 months. Perhaps she has learned the lessons of successful cheque fraud. Keep the number of your bad cheques, and the individual amounts, to a minimum so that the courts will not feel obliged to slap your wrists and the merchant cannot afford to sue.

In passing sentence on this woman, the judge said:

It's no wonder law-abiding citizens encounter problems when they try to write a cheque. The stores have been taken already by too many persons like yourself.

But despite her conviction, any stranger who has spent much of his time reading our criminal court records would come away with the impression that Canadians, while rarely found guilty of fraud, are plagued with an abundance of bad bookkeepers.

There is no need to ask: what is the effect of the increase of cheque fraud on the use of personal cheques? The acceptance of personal cheques depends not so much on the credit of the issuer as on the confidence of the businessman in the value of the paper he is offered. Because there is so little risk involved in writing bad cheques, and also because the cheque counterfeiter knows he will not have to pay up in order to avoid conviction for false pretence, business confidence in personal cheques has been so badly eroded under our existing law that this type of commercial paper—the only ready substitute for cash—faces extinction as a method of payment for goods purchased.

The merchant who accepts a personal cheque—even from a known customer—is becoming as rare as the corner grocer who accepts telephone orders and lets you charge them.

The only alternative to cash for consumers is the credit card. The risk of this form of credit is assumed by the bank or department store which issues the card, and the cost of that risk is paid by us all, whether we use such a card or pay cash. Nor has the merchant been slow to see the advantage of Chargex and Mastercharge. He has learned that credit customers buy 33 per cent more than cash customers because credit customers, unlike those who write personal cheques, are not compelled to determine whether or not they can cover the cost of the purchase from available funds. Credit customers are merely mortgaging their future income.

For the sake of counterfeit cheque writers, therefore, we are forcing the ordinary consumer to purchase on credit, to become a debtor, and too often a bad debtor who gets in over his head. Is this what we want, or are we prepared to put some teeth into the present law against cheque frauds before cheques disappear altogether?

Cheque counterfeiters in this country should be grateful for having been born in Canada. In France, cheque fraud is a little more risky. French law treats the NSF cheque as an offence. The severity of punishment depends on the amount of money involved, but the fraud is considered serious if the NSF cheque amounts to $200 or more. The convicted person becomes subject to a penalty of one to five years in jail, and a fine of $720 to $7,200.

But, no matter what the amount of the cheque, the elements of the offence are the same: first, issuance of the cheque, which excludes post-dated cheques; second, lack of funds at the moment of issue; and, third, bad faith of the author of the cheque.

And just what is bad faith, you might ask? Bad faith does not suppose even the intention to cheat or defraud. It does not necessarily mean that the person who wrote the cheque knew there were insufficient funds. French courts assume that a person writing a cheque has the duty of knowing the state of his account and, therefore, bad faith may be proven in the case of a person who, in doubt of his situation, writes a cheque without taking the precaution of verifying the state of his account. I do not think that is too hard to accept.

If the amount involved is less than $200, the offence is considered a breach of regulations. Not only is the punishment less severe, but the bad cheque speaks for the bad faith of the author of the cheque, and off he goes to jail for writing a cheque without checking his balance.

I understand that penal legislation concerning cheques was temporarily altered in 1972 because the courts were clogged with NSF'ers waiting for their turn in the pokey. Since then,

at least until last year, in order to clear up the backlog, a period of ten days was allowed the author of the bad cheque from the time of the issuance of the cheque during which he could make the repayment. The person who paid up was able to escape jail but was still liable to the payment of a fine.

By contrast, the present bill allows the cheque counterfeiter and bad bookkeeper alike 30 days to pay what they owe as evidence that they did not obtain something of value under false pretence. Anyone who thinks this to be too harsh should state why a Canadian crook deserves to be treated better than a French thief.

For the sake of every consumer in the market place and every merchant with whom he deals, I cannot urge too strongly upon the members of this House the need for a simple and effective law which would identify and eliminate the cheque counterfeiter by prosecution by the Crown without requiring the merchant to weigh the cost and the benefit of trying to collect payment for bad cheques. In my view, the proposed bill will provide such a law and I heartily recommend its passage.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened with an abiding interest to the hon. member who has just spoken and put forward this bill on behalf of the hon. member for London East (Mr. Turner). Because of the high position which the hon. member for London East holds in the House he is prohibited from presenting bills, and I understand that is the reason why he did not do it himself.

I want to commend the hon. member for Middlesex-London-Lambton (Mr. Condon) as a non-lawyer, as he identified himself, for the presentation which he made. If I should disagree with some of the things he said, I do not want him to feel that I am disagreeing in any way with the motivation behind the bill because it is indeed true in this country that we have to find a method of dealing with the increasing incidence of bad cheque writing and a whole host of other things that have afflicted me and other members of the House, and indeed, and in particular, business people throughout the country. We have to find that way. Listening to the hon. member elucidate on the problem—and I agree with the ramifications and the extent of the problem—I had to ask myself whether this was the way and whether we ought to depart from a principle of justice in Canada to meet a problem which we might be able to meet in another way.

● (1620)

The existing law as contained in the Criminal Code and as set forth in the fly sheet of the bill reads this way:

Where . . . it is shown that anything was obtained by the accused by means of a cheque that, when presented for payment within a reasonable time, was dishonoured on the ground that no funds or insufficient funds were on deposit to the credit of the accused in the bank or other institution on which the cheque was drawn, it shall be presumed—

That is the law at the moment, a presumption.

—to have been obtained by a false pretence—

There is a presumption now existing in the law of a false pretence, and if the accused who has drawn the cheque cannot rebut that presumption, then certain consequences flow.

[Mr. Condon.]

The Criminal Code then goes on to say:

—unless the court is satisfied by evidence that when the accused issued the cheque he had reasonable grounds to believe that it would be honoured if presented for payment within a reasonable time after it was issued.

The court is instructed to look into the mind of the issuer of the cheque, to consider the time of presentation and to consider the accused's circumstances. The bill which is proposed and which has been discussed in an able way by the hon. member who just sat down, changes the conditions. The proposed amendment would repeal the section, but it reads the same until it gets down to these words:

. . . unless the accused pays the amount of the dishonoured cheque to the payee thereof within thirty days after the bank or other institution on which the cheque was drawn notifies the accused by prepaid mail that the cheque was dishonoured.

If we stop to think about it for a moment, there is an element in this proposal which I do not think is intended by the drafter of the bill. The element is that it really allows 30 days' credit which could be used by the unscrupulous in a way in which I am sure the hon. member for London East never intended when he prepared the bill. A person could write a cheque knowing full well that his account had no money in it and would not have any money in it within a period of 30 days, and that cheque could be honoured.

What this bill really does is establish in the Criminal Code a rather unique line of credit, and what is lost is the opportunity for an accusation to be made, and information to be issued, and a person to be tried, whether or not the cheque is paid later on. As the section now exists it says that if anybody tries to use the existence of the Criminal Code to give himself a line of credit by issuing bum cheques, even though he should pay those cheques before he comes to trial, he is still guilty of an offence. He is subject to be examined with respect to that, and the circumstances of paying the cheques go only to the mitigation of sentence, but they do not take away from the case, at least at this point, the sanction of a penalty. I do not think the hon. member for London East intended that, but that could well be the effect of his bill.

I do not want hon. members to think that by saying that I am unmindful of the problems of business people, but I am also not unmindful of the problems of some people in the community. I carry no brief for the fraud artist, but I am prepared to carry a brief for people who are accidentally caught within the provisions of the Criminal Code. This has happened under this section, and it has happened within my experience.

A few years ago I was asked to defend a man who was engaged in a plumbing business and who subsequently went bankrupt. This person issued a series of cheques. For some reason or other some cheques were presented in time and were paid. One cheque, I suppose because of the negligence of the person to whom it was directed, the payee, was not presented in time, and when it was presented there were not sufficient funds in the bank because of the difficulties into which my client had got himself. Under the bill as proposed a person like this would have 30 days to raise sufficient money to pay the cheques, but in my client's circumstances there was no way on

God's green earth that he would ever be able to raise the money.

This man was not a dishonest man. He was a foolish businessman, but he was not fraudulent. He did not try to conceal or withhold. He was married. He had two children. He lost his car, his home, and everything he owned as a result of this, but he was not dishonest. He was unfortunate, but had the bill which is being presented today for the approval of this House been the law of the land, this man would have been branded a criminal merely because he could not pay. He would not have had a chance to defend himself against a charge of criminality.

As a result of these circumstances we appeared before a magistrate, I think it was, in the city of Cornwall, which is represented by the hon. member for Stormont-Dundas (Mr. Lumley). We now call magistrates provincial judges. We advanced evidence at that time of the state of my client's bank account, his circumstances and the circumstances of his business, and we were able on that occasion to rebut the presumption which is set forth in the Criminal Code, the presumption that he issued the cheque knowing that it would not be honoured. The court found that this fellow had issued a bad cheque, that he had obtained goods on the basis of a bad cheque but that he did not do it on false pretences.

If that poor fellow had been found guilty, he would have been fined, and if he could not pay the fine, he would have spent time in jail. We would have resurrected, had this bill been the law of the land, the old debtor's prison. I know there are some businessmen in the country who would like there to be debtor's prisons. It would be a great place. That in effect is what would happen in a case like this, and I do not think my case is unique. My practice was never unique. These cases came up time and time again. The businessman is as much inconvenienced by cheque-bouncing artists as he is by the innocent, I suppose, but I think it is our duty with respect to the criminal law to ensure that it is administered in such a way that the truly innocent do not suffer, and that is the matter which concerns me about this bill.

The other thing about cheques is that they involve an element of volition. Cheques are volunteered by people who issue them, and they are accepted. When cheques are used, there is a certain amount of risk which a businessman has to take. That is why, as the hon. member said, a cheque is a different kind of instrument. That is the reason why I think the bill ought not to be supported. I say that with some regret because I know the motivation of the hon. member who advanced the bill, and I listened with great care to the hon. member who presented it for him. If the bill were approved I think it would bring something into our criminal administration that was taken out of it many years ago, and for good reason.

● (1630)

The courts of the country are equipped to look into these matters. Appointments to provincial courts in all the provinces are made with great care. Those are the courts that usually deal with this kind of matter and I think we should trust them. I am not going to argue that the lists are not crowded, because they are; cases take some time to be heard, but it is within the hand and mind of man to change the procedures, to appoint more judges, or do a host of other things that would help the situation. I do not think we ought to undo an inconvenience by removing from our criminal justice system a protection that has been built in over a period of time for good reason.

There are two elements to consider in this matter. There is the element represented by the businessman who is angry because his goods have gone and all he has for them is a rubber cheque. But there is also the other aspect, the element of innocence. If anyone in our community, when he faces a presumption of guilt, does not have the opportunity to prove himself innocent, not just so that somebody gets paid but because of his own reputation in the community, his standing in his family, or his view of himself—if that is removed from the Criminal Code then I think it would be a tragedy. I do not think the hon. member for London East intended that by his bill, but unfortunately that is the effect of it. I therefore say with some regret that I do not believe the bill ought to be supported in its present condition.

Mr. John Gilbert (Broadview): Mr. Speaker, I should also like to commend the hon. member for London East (Mr. Turner) for presenting this bill, as I have great respect and friendship for him. I appreciate his concern with regard to the passing of bad cheques.

I should like to direct my attention to the remarks made by the hon. member for Middlesex-London-Lambton (Mr. Condon) who made an able presentation. He said that in London there has been an increase of 150 per cent in bad cheques passed since 1972. Mr. Speaker, you do not have to be too old to appreciate that at one time we had a cash society; everything was paid for in cash, and some of our parents adhere to that principle. Unless they can pay cash for goods they do not buy them. The second phase was cash plus cheque, and the third phase, which we are now experiencing, is cash plus cheque plus credit card.

The hon. member for Grenville-Carleton (Mr. Baker) was at one time a Crown attorney in Ottawa. He knows as well as I, from my experience in criminal law, that the police are wary of laying a charge with regard to a cheque. Once the Crown authorities assume responsibility with regard to such a charge they may be exposing themselves to an action for false prosecution. My experience in Toronto was that Crown counsel were very reluctant to proceed with regard to cheques. They quite rightly said it was not a criminal matter but a civil matter, and advised the person who received the bad cheque to use civil proceedings.

The hon. member for Middlesex-London-Lambton said that the nub of the matter is that the person who received the bad cheque wants payment for the goods or services. We have therefore to determine whether the amendment would achieve that purpose. Mr. Speaker, I feel it will not achieve the purpose the hon. member seeks. It does not help the ordinary businessman to tighten the criminal law, and it does not help

the ordinary person who receives a cheque for rent, say, to bring an action in the criminal courts. What will happen is not that the payment will be made to the person who received the bad cheque but that a penalty or prison sentence may be imposed on the person who passed it.

The hon. member for Grenville-Carleton picked up an important point very quickly when he said the effect of this bill will be to extend free credit for at least 30 days to the person who passes the cheque. In other words, that person would have 30 days in which to honour it; if he does that, then the case is at an end. He would not only have credit for 30 days but, according to the bill, for 30 days plus the time the bank took to notify him.

You can appreciate some of the things that could happen, Mr. Speaker. Someone could think he has certain moneys in the bank, present a cheque for payment for goods and services, and then go away on a month's holiday or be confined to hospital. This might far exceed the 30 days and the presumption of false pretences would arise immediately. I do not think most of us want this. What we want is what the hon. member who introduced the bill said: we want payment. I think we have to find ways and means of getting moneys to the person who accepted the cheque.

Again I give full credit to the hon. member for Grenville-Carleton for saying there is a certain risk when a cheque is presented as payment for goods or services. The person who accepts it has to be very careful about the person who presents it. At times people are foolish about accepting cheques and they have to accept the consequences. They have to accept that they should take action in the ordinary way through the civil court to receive their money. I do not think the criminal court should be cluttered with cases of false pretences concerning small cheques.

Once a person gets a criminal conviction it is very difficult to expunge it. This would impose a very heavy burden on a person who did not pay within the 30 days or the 30 days plus the time it took the bank to inform him.

That does not mean we should not study this matter. It seems to me that the Minister of Justice (Mr. Basford) should pick up this idea with regard to bad cheques and refer it to the Law Reform Commission for study, or to the Standing Committee on Justice and Legal Affairs, where bank officials and consumer associations, police, lawyers and others could be called for an opinion.

I could not help but smile when the hon. member for Middlesex-London-Lambton presented the bill and said that it may deny lawyers some form of income. The average lawyer thinks these cases a nuisance and makes little money from them as I am sure my colleagues, the hon. member for Grenville-Carleton, and the hon. member for Toronto-Lakeshore (Mr. Robinson) will agree.

● (1640)

Mr. Baker (Grenville-Carleton): Especially if he is paid with a cheque.

[Mr. Gilbert.]

Mr. Gilbert: Although the proposed change in the law would lead to no great loss of income for lawyers, it would not solve the problem confronting us. We must consider ways and means to adopt the principle on which the mover of the bill spoke, the principle of repayment of bad cheques. It seems to me that the present law is preferable to the proposed amendment.

At present the law says that the accused must show he had reasonable grounds for believing that if the cheque were presented within a reasonable time after issue it would be honoured. But the amendment would impose a time frame, and the time frame would give the cheque writer extended credit for 30 days, plus the time it takes the bank to notify the issuer of the cheque. Although I have deep respect and affection for the hon. member for London East and was pleased to hear the presentation of the hon. member for Middlesex-London-Lambton, I cannot accept the proposed amendment in its present form, and I hope the Minister of Justice will refer this question to the Law Reform Commission for study.

In law, there are federal cases and civil cases, for the most part, and in law presumption is a rarely invoked principle. In a criminal case the onus is almost always on the Crown to prove beyond a reasonable doubt *mens rea*, the guilty mind, or the intention of the accused to commit the offence. There are some narrow exceptions in which presumption is invoked. This proposed amendment would set up a presumption with regard to cheques. In the Criminal Code there is a presumption concerning the possession of stolen goods. Few other such presumptions exist in the law. Because a presumption shifts the onus from the Crown to the accused, and that onus is not light, I oppose this bill in its present form and hope the Minister of Justice will take steps to look into the matter.

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, I congratulate the hon. member for London East (Mr. Turner) for introducing Bill C-230, "an act to amend the Criminal Code (presumption from cheque issued without funds)." The explanatory note to the bill reads:

> The purpose of this bill is to amend the Criminal Code to provide that the issuance of a cheque returned NSF shall raise a presumption that anything obtained thereby was obtained by false pretence, unless the maker of the cheque satisfies the debt within a period of thirty days after being notified that the cheque was dishonoured.

The explanatory note quotes the wording of subsection 320(4) of the Criminal Code, which at present reads as follows:

> . . . Where, in proceedings under paragraph (1)(a), it is shown that anything was obtained by the accused by means of a cheque that, when presented for payment within a reasonable time, was dishonoured on the ground that no funds or insufficient funds were on deposit to the credit of the accused in the bank or other institution on which the cheque was drawn, it shall be presumed to have been obtained by a false pretence, unless the court is satisfied by evidence that when the accused issued the cheque he had reasonable grounds to believe that it would be honoured if presented for payment within a reasonable time after it was issued.

According to this provision there is a presumption of guilt, that is to say, the onus is upon the accused to provide proof that at the time he wrote the cheque he sincerely believed he had sufficient funds in his bank account to cover the amount.

It would appear that this is in direct violation of the time-honoured presumption of innocence until guilt is proven.

I realize that we are dealing with a very complex issue here. Proving the intent to defraud is a very slippery matter. Intent is not necessarily a component of the proof of guilt. In this case unless someone actually said "I am going to write an NSF cheque" it would be extremely difficult to have actual, hard evidence. Canadian law is not alone in its demand that intent be proven. In England, for example, the law requires proof that the accused person acted dishonestly. Similarly, Australian law demands proof of the intent to defraud, although in this country the burden of proof lies with the prosecution rather than with the defendant to disprove. In the states of California, Maine, Michigan and New York a person can be found guilty of passing a bad cheque if, and only if, actual intent to defraud the victim can be found.

The solution to the acquisition of evidence proving the intentional writing of an NSF cheque would be some type of application of a test of intent. Bill C-230 provides the means for that test. If after 30 days a cheque was not honoured it could be assumed that intent had been proven by non-payment.

This bill is designed to rectify a deficiency in the current law governing commercial transactions. As we all know, the law dealing with bad cheques is plain in its intent, but difficult at best and impossible at worst to enforce. The law allows the accused to use as his defence the claim that when he issued the cheque he had reasonable grounds to believe it would be honoured if presented for payment within a reasonable time after it was issued. This is fine as far as it goes.

I am sure that many of us have inadvertently and innocently written an NSF cheque at one time or another. The present law rightly recognizes the possibility of making a legitimate error. But the law should also recognize the rights of those to whom the cheque is issued. I believe that this bill helps to right the balance between the cheque issuer and the cheque recipient, for we should recognize that the Criminal Code, as it stands, has opened not a crack but a superhighway through the law as it now exists. By failing to provide for restitution to the victim, it seems to me the law has missed the point.

I think the hon. member for Grenville-Carleton (Mr. Baker) and the hon. member for Broadview (Mr. Gilbert) know how reluctant police are to lay charges in these cases, and how reluctant justices of the peace, magistrates, or provincial judges, as the case may be, are to deal with them. It is often the case, as the police, magistrates or provincial judges know, that a charge is laid in an attempt to use the criminal courts as a collection agency. I think the suggestion of the hon. member for Grenville-Carleton has merit, namely, that part of the sentence should call for the restitution of the amount of money for which the cheque is issued.

The benefits of this change in the law will affect us all. The cost of bad cheques has been twofold. It has been added on to the prices the rest of us pay. It also increases the storekeeper's reluctance to accept a cheque, any cheque, as a means of payment. How many of us have been in stores recently and seen the increasingly familiar "We do not accept cheques" sign? How embarrassingly familiar is the current ad for one of the credit card syndicates that asks, "Will that be cash, or—?" By lessening the risk to the merchant in accepting a cheque and decreasing the proportion of bad cheques, the mark-up on merchandise may be lowered. At least some of the merchant's reluctance to accept a cheque will be reduced.

Lest my colleagues think I am exaggerating, allow me to illustrate my point. A local Ottawa merchant stated that in 1976 his company lost $100,000 owing to bad cheques. A clothing chain store controller reported that his chain no longer accepted cheques as a form of payment. They will accept cash or credit cards. The reason? One cheque in ten issued to his firm bounced. Some retailers have found that up to 10 per cent of their annual revenues have been wiped out because of bad cheques.

● (1650)

The London *Free Press* reported in February that one woman was convicted this winter of defrauding 19 merchants of more than $3,500. In fact she passed 53 "bad cheques" totalling $4,925. In sentencing this offender the judge stated:

> It is no wonder that law-abiding citizens encounter problems when they try to write a cheque. The stores have been taken already by too many persons like yourself.

I received, this February, a letter from a woman whose husband has been a victim of NSF cheques and I would like to take the liberty of reading it.

> Dear Sir:
>
> May I say how much we appreciate your bringing the NSF cheque issue to light. My husband is a small businessman—he has a franchise for selling snap-on tools. He accepts cheques from customers in good faith, then, when a cheque "bounces", there is not a thing we can do about it. I can telephone day after day, and where they have moved to another location this costs us extra for long distance calls, but to no avail. We offer to take the tools back, but don't get too far on this very often as they need the tools for their line of work. We have paid for lawyers' letters, but to the type of person that writes NSF cheques a lawyer's letter doesn't mean a thing. They know there is no penalty so they can go on writing cheques. Nobody can prove that they didn't know the money was not in the bank.
>
> As with most other small business people, we have to pay for the tools within the week. My husband works many more hours than the fellow who writes the NSF cheques.
>
> It would be a fair ruling, that if the cheques are not honoured within 30 days, goods should be returned. That is a fair enough bill and should be passed.
>
> Thank you for supporting the bill.

The benefits of the hon. member's bill to the shopkeeper are obvious. By attaching the international dishonouring of a cheque to the Criminal Code, the merchant will have recourse to the Crown attorney. This is particularly important, for this bill is aimed at helping the retailer who has lost $200 or less in the transaction. Often the cost of implementing private proceedings outweighs the value of the items lost. If my hon. colleagues see fit to approve this amendment the merchant will no longer have to bear the burden of instituting proceedings himself, the cost of which must be measured not only in dollars, but in time and energy spent before the legalities begin. The retailer would have a specific time frame to operate within; after 30 days, legal action could be taken.

The unfortunate person who, through miscalculation, has written an NSF cheque would not be subject to harassment by the retailer or a collection agency for both would know that there was a 30 day limit for repayment. The innocent offender could make quick restitution, and the shopkeeper be assured that the law was on his side after the 30 day limit had expired.

Obviously the honest customer will also benefit. He will be less suspect when he wants to write a cheque for merchandise. He will likely also benefit through reduced price tags.

The 30 day time limit will allow the police and the judiciary to determine real intent to defraud. If restitution has not been made within that time, it is likely that it will not be made. In Ottawa alone, last year the police recorded that in 1,372 cases of cheques and credit card fraud, involving $420,000 worth of goods, only 128 arrests were made. Guilt through intent is difficult to establish. While the 30 day limit is not the only measure that can be taken, it would allow an easier determination of guilt by the police and would consequently provide for stricter enforcement of the anti-fraud laws.

In conclusion, Mr. Speaker, let me say that I do not believe that this amendment is the ultimate solution. Certainly some less scrupulous individual is likely to make use of the 30 day grace period to purchase items by cheque knowing full well that there is no money in his account, but counting on his U.I.C., pension, family allowance, or income tax return cheque to come before the expiry date. However, I also believe these incidents would be few and far between and that the benefits of this amendment will outweigh this drawback, which could, incidentally, be overcome by the simple imposition of a percentage charge, as is done on overdue accounts.

I would therefore urge my colleagues to support this bill of the hon. member for London East in his efforts to correct the injustices suffered by merchants and honest cheque writers alike.

Mr. Arnold Malone (Battle River): Mr. Speaker, I too would like to join with those who have complimented the hon. member for London East (Mr. Turner) on his initiative because there can be no doubt that the intent of the bill he has put before us today is a good one. Any person who has been engaged in business would probably expect that each one of us here had at one time or another received an NSF cheque.

Mr. Gilbert: But have we ever passed one? That is the issue.

Mr. Malone: I have received them. I do not know whether they came from Liberals or not. But we have never passed them.

An hon. Member: Are we getting our money's worth now?

Mr. Malone: If the hon. member is placing a value on my speech I should like to have it in cash rather than by cheque. I know what side of the House he sits on.

I should like to reiterate a couple of thoughts which have already been put forward this afternoon. The first is that the bill has the effect of giving 30 days' grace, or licence. I know that the hon. member who has just taken his seat made a reference to this. He said that innocent offenders would have 30 days in which to make restitution. But if the innocent can do this, so can those who are not so innocent. It is unlikely that 100 per cent of our population is composed of innocent individuals with the same high motives as the supporters of this measure. And there is no doubt that people without high motives would be in a position to abuse the privilege or loopholes which it provides.

There is another part of the bill to which I take exception. If the 30 day requirement is not met, an offence automatically becomes a criminal one.

Mr. Deputy Speaker: Order. The hour provided for the consideration of private members' business has now expired. It being five o'clock this House stands adjourned until Monday at 2 p.m. pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, May 30, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ROYAL CANADIAN MOUNTED POLICE

GOVERNMENT'S INTENTION WITH REGARD TO IMPLEMENTATION OF MARIN REPORT—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43, relating to the Royal Canadian Mounted Police. Since the Marin Commission Report on internal discipline and other aspects of the RCMP procedures has been in the hands of the government since January 1976, and since the need for its implementation is clearly illustrated in an incident such as L'Agence de Presse Libre burglary which involved an RCMP officer assigned to the investigation of this burglary for which he had some responsibility, as pointed out on page 15007 of *Hansard* last July, who was disciplined by the RCMP, then promoted by the RCMP, and finally it became necessary for him to enter a guilty plea respecting the said burglary, I move, seconded by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn):

That the Solicitor General, without any further delay, make a statement on motions outlining the government's intentions with respect to the implementation of Judge René Marin's report which will be to the benefit of the vast majority of the RCMP.

Mr. Speaker: Presentation of such a motion for debate pursuant to Standing Order 43 can only be done with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

REQUEST FOR PUBLIC INQUIRY INTO BREAK-IN AT L'AGENCE DE PRESSE LIBRE—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43, on the matter of the RCMP involvement in the break-in at the premises of a Quebec newspaper. Since on June 2 of last year as reported at page 14071 of *Hansard,* the hon. member for Central Nova (Mr. MacKay) and the hon. member for Fundy-Royal (Mr. Fairweather) respectively made a motion that information be conveyed to the House concerning this serious matter, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That the Solicitor General, prior to his promised statement to be made on June 9, indicate why it took a change of ministry and elapsed time of one year to produce even the promise of a statement and further that he direct the government to institute an inquiry under the Inquiries Act.

Mr. Speaker: The provisions of Standing Order 43 require the unanimous consent of the House for the presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Paproski: Francis Fox said no, and Bud Drury said no.

* * *

IMMIGRATION

GOVERNMENT POSITION ON CONTROL BY PROVINCES—MOTION UNDER S.O. 43

Mr. Arnold Malone (Battle River): Mr. Speaker, I rise to make a motion under Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the Minister of Manpower and Immigration (Mr. Cullen) developed a new deal respecting immigration to Canada with the province of Quebec without consultation with the other nine provinces or the parliament of Canada, I move, seconded by the hon. member for Hastings (Mr. Ellis):

That this House request the Prime Minister to make a statement on motions indicating whether such actions are acceptable to his government and outline if this is a precedent for a new trend in federal-provincial relations wherein Canadians can expect more unilateral negotiations between the federal government and one province and the deal then offered to all provinces.

Mr. Speaker: Order, please. Presentation of such a motion for debate pursuant to Standing Order 43 can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

Some hon. Members: Agreed.

● (1410)

ORAL QUESTION PERIOD

[*English*]

ROYAL CANADIAN MOUNTED POLICE

DATE FORMER SOLICITOR GENERAL BECAME AWARE OF BREAK-IN AT L'AGENCE DE PRESSE LIBRE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Solicitor General. I wish to raise a question or two concerning newspaper reports of the break-in in 1972. Since my colleagues and I have been asking questions about this matter, as the Solicitor General knows, for well over a year and only recently has anything concrete emerged despite the repeated promises of a former solicitor general who, on March 31 and June 8 last year, promised this House further information, I wonder if the Solicitor General can simply and without prejudice to current legal proceedings with respect to sentencing, say precisely when the solicitor general of the day became aware of the situation. I am speaking of the solicitor general of the day. Was it in 1972, 1973, 1974—when was it?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, I must say in reply to the question of the hon. member that, as he is aware, an official inquiry was launched as soon as my predecessor was advised of the break-in or presumed break-in at the offices of the APLQ. That judicial inquiry is still under way, Mr. Speaker, and as I indicated to the House during the oral question period last Friday, as soon as sentence is passed, that is as soon as the legal process has been completed, I shall make as complete as possible a statement to the House on all circumstances surrounding the case of the APLQ.

[*English*]

IMPLEMENTATION OF MARIN REPORT

Mr. Elmer M. MacKay (Central Nova): A supplementary question, Mr. Speaker. I gladly accept the minister's answer and will not ask more about the precise date on the understanding he will cover that point in his statement on the ninth. In view of circumstances involving one of the participants in this incident, and keeping in mind that I and some of my colleagues have often raised incidents in this House concerning RCMP officers who, owing to the arbitrary disciplinary procedures to which they are subjected, find themselves in difficulty, will the minister implement some of Judge René Marin's recommendations in the near future in order to put right inequities which, as I think the minister will agree, have caused the force much dissatisfaction within its ranks?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, of course it is most unfortunate that doubtless because of his many preoccupations the hon. member was unable to attend the sitting of the Standing Committee on Justice and Legal Affairs which studied my budget last Thursday, because he could then have asked all those questions in detail. In any event, Mr. Speaker, I can assure him that following really intensive consultations with the RCMP, consultations which ended at the end of last November with representatives of the constables and other non-commissioned officers of the RCMP, an internal committee of my department composed in part of RCMP representatives made a complete review of the recommendations of the Marin report. Since that time, several of Justice Marin's recommendations have been accepted by the RCMP; as for the others, Mr. Speaker, I am expecting a report from my department before the end of June and hope to be able to introduce appropriate legislation to the House during the next session of Parliament.

[Mr. Speaker.]

[*English*]

DATE MINISTER WAS INFORMED OF INVOLVEMENT OF FORCE IN BREAK-IN AT L'AGENCE DE PRESSE LIBRE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is also addressed to the Solicitor General. I bear in mind what he said about a statement, and the hope expressed by the hon. member for Central Nova with respect to a precise date, but I still want the Solicitor General to answer a question or two. When was the Solicitor General of the day notified of the RCMP's involvement? Specifically, can the minister tell us in advance of his statement if he was first notified of the matter by the hon. member for Central Nova, or did he find out about it before my colleague, the hon. member for Central Nova, brought it to the Solicitor General's attention in the House of Commons?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, I think it would be really dangerous for me to embark on making incomplete answers or to consider only parts of the whole APLQ question. For example, there is some confusion in the question asked by the hon. member about which solicitor general he is talking about. Before continuing this line of questioning, it would be wiser and more advisable to wait for the completion of legal procedures so that the accused are not prejudiced in any way in their rights.

[*English*]

MATTERS TO BE INCLUDED IN MINISTER'S STATEMENT CONCERNING BREAK-IN AT L'AGENCE DE PRESSE LIBRE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, can the Solicitor General undertake to the House that the matter raised by the hon. member for Central Nova will be included in his statement. Can he also undertake to the House that the matter raised by the hon. member for Northumberland-Durham, namely the question of a letter sent by *L'Agence de Presse Libre* to the Solicitor General, will also be dealt with in the statement. These are two things that are very important to the investigation of this matter, both in the House of Commons and in the country.

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, obviously the answer to the question of the hon. member is yes.

[*English*]

MANPOWER

REQUEST FOR TABLING OF FORECASTS OF LEVEL OF UNEMPLOYMENT IN EACH PROVINCE—MEASURES TO REDUCE LEVEL

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Last Tuesday I asked the minister if he would confirm the existence of unemployment forecasts that were made by members of his department for the province of Quebec and other provinces. At that time the minister said he would look into the situation and report back. My question today is, will he now confirm that such forecasts were made by his department for the province of Quebec and other provinces? Will he table for the observation and scrutiny of members of this House the truly alarming figures that come out of those forecasts? Related to that, will he also advise if his department is planning any initiative to improve the unemployment situation in the next few years?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, I can confirm that projections of various trends in the economy, including employment and unemployment, were recently published by the regional economists in Quebec. My understanding is that there was no authority to make this kind of information public. It is not our business to do that kind of forecasting. There are competent organizations, such as the Economic Council of Canada and the Conference Board of Canada, which make these projections. All of these sources are used by the department. We do not intend to make it a practice to publish these figures in the future, either for Quebec or other provinces.

REQUEST THAT COPIES OF FORECASTS OF LEVELS OF UNEMPLOYMENT IN THE PROVINCES BE APPENDED TO TODAY'S "HANSARD"

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the people of this country, particularly the provincial governments, have a real concern about these forecasts even if the minister does not. They are already available. I have copies of the figures which show that in six of the ten provinces between now and 1978-79 there are going to be alarming increases. There is a forecast increase in unemployment in Newfoundland from an average 14.4 per cent to 17.4 per cent, in Nova Scotia from 10.4 per cent to 11.3 per cent and in the province of Quebec from 9.0 per cent to 9.8 per cent. Given these truly deplorable figures in terms of their impact on the ten provinces in Canada, will the minister and the House unanimously agree to these figures being appended to *Hansard* so that they become part of the record? If there is agreement I would like to ask the minister if he plans to come up with any specific programs this summer, either after consultation with his colleagues or the provinces, to do something about the alarming situation his department is forecasting.

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, the information available from our sources or others indicated the difficulty that we are in fact having, the problems in the economy. That is why the budget was introduced by my colleague the Minister of Finance. That is why Industry, Trade and Commerce has taken initiatives in this field to increase the export trade, doing what it can to enhance that particular position. That is why in my own department we are endeavouring to fund training through the bill which is presently before the committee. There are other projects to deal with the situation, in so far as the government is able to cope with that and give the kind of initiative and incentive to business which it requires.

● (1420)

Mr. Broadbent: Mr. Speaker, before I ask my final supplementary, I would like to ask Your Honour if there is unanimous agreement of the House to have these figures attached to today's *Hansard*?

Mr. Speaker: If consent is to be sought, I think it ought to be sought at some other time.

Mr. Broadbent: I will do that on motions, Mr. Speaker. My final supplementary is to the Minister of Manpower and Immigration. The Department of Manpower and Immigration has prepared a serious forecast for an interdepartmental committee of the federal government. Is the minister saying that this should not be made available to the provinces of Canada and should not be made available to members of the House of Commons so that we can understand how serious the situation is? Is he saying the budget, which was brought down a couple of months ago—and which the Minister of Finance acknowledges primarily deals with inflation, is going to be the main instrument we will rely upon for the creation of jobs over the next couple of years?

Mr. Cullen: Mr. Speaker, as the hon. member knows, all of this information has been published and is available to the general public. I indicated the budget in itself was one of the areas we would be pursuing to deal with the economy, as it is at the present time. I make no bones about the fact the Minister of Finance has to walk on a tough tightrope at this particular time, so as not to mushroom up inflation in the interests of creating employment, which would have a detrimental effect on the whole economy. Thus, it is a very tough role he has had to play, and I think he has done a marvellous job with the budget he introduced.

[*Translation*]

REASON CERTAIN OFFICES REFUSE TO PAY TRANSPORTATION FOR STUDENTS TO WORK ON FARMS IN ONTARIO

Mr. C. A. Gauthier (Roberval): Mr. Speaker, my question is also directed to the Minister of Manpower and Immigration. It relates to students aged 16 or more who go to the fruit and vegetable harvest in Ontario and who can work very hard. I would like to have this matter settled once and for all, Mr. Speaker. Can the minister tell the House whether manpower offices can arrange for the payment of student transportation to the working place? If so, could he say why an office in my

constituency refuses to pay for these students while another agrees to do so?

[*English*]

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, the procedure followed by the individual Manpower offices is to employ, wherever possible, students who live in the particular local area, who are familiar with the particular farming conditions, the crop and the people with whom they have to work. That kind of initiative or priority is in fact given. If students cannot be found in the local area to play that particular role, then we look elsewhere. I would be happy to look into the hon. member's representations. I am not sure we are doing that, at the present time, but I will certainly look at it.

[*Translation*]

Mr. Gauthier (Roberval): Mr. Speaker, I should like to put a supplementary question.

For the information of the minister, I would like to say that those students are required by Ontario farmers. I would like to ask the minister to make an inquiry at those offices. There is something wrong because those students are expected there. It is a simple matter of transportation, one provides it and the other does not.

[*English*]

Mr. Cullen: Mr. Speaker, the decision is not, in the first instance, left to the department; it is left to the individual Manpower office. If there are students available at the local level and on the scene, it seems appropriate that they should be given the first opportunity to work at these jobs. As I have indicated, I have heard the hon. member's representations, and I will look into the situation to see if there are any farmers who are suffering as a result of not being able to bring in students from Quebec.

* * *

ROYAL CANADIAN MOUNTED POLICE

POSSIBILITY OF PUTTING FORCE UNDER JURISDICTION OF MINISTER OF JUSTICE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is for the Solicitor General as well. It is along the same lines as the questions by the hon. member for Central Nova and our House leader today. It concerns the incidents in Montreal and Toronto, which have raised continued questions about the relationship between the Solicitor General and the RCMP. In view of the fact the RCMP in many areas of law enforcement, such as the administration of the Official Secrets Act and the Narcotics Act, depend heavily on the expertise of the Attorney General of Canada, has the Solicitor General discussed the matter with the Minister of Justice, and indeed the Prime Minister, to consider placing the RCMP administration duties under the Attorney General and the Minister of Justice of Canada, as it was in the past before this difficulty arose?

Hon. Francis Fox (Solicitor General): I am not sure what the hon. member means when he refers to the relationship between the RCMP and the Solicitor General. As to his suggestion, I have not pursued it with the Prime Minister or with the Minister of Justice but I believe the appropriate course of action was taken by the government back in 1966 when the Department of the Solicitor General was set up. I think that, on the whole, it has proven to be a very satisfactory way of administering this function.

Mr. Woolliams: That is not what the RCMP has had to say.

An hon. Member: Explain!

SOURCE OF INSTRUCTIONS ON BREAK-IN AT L'AGENCE DE PRESSE LIBRE

Mr. Eldon M. Woolliams (Calgary North): It is in the newspaper, if the minister cares to read it. Perhaps I could ask this question: in the light of the fact that the Solicitor General is not able to make a statement today, and is going to wait to tell the House whether the solicitor general of the day knew of the break-in of the Quebec newspaper prior to the break-in, would he be prepared, in that statement, to tell us what the general practice is? Does the Solicitor General, the minister in charge of the RCMP, give those instructions or do those instructions come direct from the Commissioner himself?

Hon. Francis Fox (Solicitor General): As far as the Solicitor General is concerned, and as far as the Commissioner of the RCMP is concerned, the only actions the RCMP can take are actions which are consistent with the law as enacted by this parliament. Perhaps the hon. member missed some of the answers given in the House by both the Prime Minister and myself. We have indicated quite clearly on a number of occasions that the solicitor general at the time had no prior knowledge of the break-in.

* * *

IMMIGRATION

REASON FOR FAILURE TO CONSULT OTHER PROVINCES PRIOR TO AGREEMENT WITH QUEBEC

Mr. Arnold Malone (Battle River): Mr. Speaker, I would like to direct my question to the Minister of Manpower and Immigration. Without having any prejudice as to the recent discussions the minister had with the minister in Quebec, I should like to ask him on what basis and what was the justification for making a new deal with the province of Quebec on immigration without first consulting the other nine provinces and the Parliament of Canada?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, let me first say there is no new deal with this particular province. We were talking about the selection of immigrants to Quebec and our discussions were based on section 95 of the British North America Act which indicates that this is an area of shared jurisdiction. It permits the

co-determination of both levels of government in the immigration selection process. When I was asked, in dealing with one province, whether this was something which was available to all other provinces, the answer was yes. At the present time we have two agreements with the province of Quebec. Similar opportunities have been made available to other provinces but they have not seen fit, for their own reasons, to take them up. The Bienvenue-Andras agreement was, as Mr. Couture indicated, a good step forward, but it seems now we can do more with respect to sharing or codetermining immigration designated for various parts of the country. We agreed to the establishment of a joint working group which will look into all the options available. This will be available not only to Quebec but to any province which wants to participate.

REQUEST FOR ASSURANCE FEDERAL CONTROL NOT RELINQUISHED TO PROVINCES

Mr. Arnold Malone (Battle River): I trust the minister will have full respect for freedom of mobility in Canada. Would he give an assurance to the House and to the Canadian people that the federal government will exercise majority influence over immigration rather than release it to provincial jurisdiction and thus threaten the opportunity for a sensible, rational immigration policy throughout Canada?

Hon. Bud Cullen (Minister of Manpower and Immigration): Both Mr. Couture and I share that concern. As a matter of fact, Mr. Couture suggested, if I may use his words, that at the federal level we ought to have a common denominator in order to preserve and protect that vital element of immigration policy in Canada, namely, a person's ability to move throughout Canada despite the fact that he might originally have been designated to go to one province. There was no suggestion of any breakdown in that regard.

Mr. Malone: I am not sure whether the minister stated this categorically, but I just wanted him to state, in front of the House of Commons, whether the federal government got the say in more than 50 per cent of immigration policy? That is the simple question I would like the minister to answer.

Mr. Cullen: More important than getting into semantics over percentages, what we must look at is codetermination and the determinate role. Percentages are not going to make that amount of difference in numbers. It is a question of making sure that we maintain a common denominator and do what is necessary to encourage Francophone immigration to Canada as well as ensure the ability of the immigrant to move throughout the country.

● (1430)

QUEBEC REQUEST FOR CONTROL OF POINTS GIVEN PROSPECTIVE IMMIGRANTS—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): Let me ask the minister a brief supplementary question. His counterpart in the province of Quebec has put forth to the minister his position in which he indicates he wants control over 55 per cent of the points given to immigrants coming to Canada. I want to know from the minister whether he said no to that request and, if he did not say no, what did he say?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Couture indicated he was interested in selecting the best formula that would meet both our requirements. He said he did not want to be hung up on figures or become involved in statistics. If there is a better system, even beyond the pointage system, such as a sponsorship system or some other role that province might play, he wanted to look at all the options. That is why he agreed with me to establish a working group so that we could look not only at the options suggested by him but at others that we might wish to propose.

POSSIBILITY OF DIVIDING SELECTION CRITERIA

Mr. Lincoln M. Alexander (Hamilton West): I take it from the minister's answer that his counterpart in Quebec has now abdicated with regard to that particular proposal. The minister can answer that question when I ask him my second question. I understand that in the minister's statement he advised his counterpart that the selection process can be divided into two parts, one affecting social, cultural and demographic aspects and the other concerned with economic and labour aspects as well as market conditions, the latter being the responsibility of the federal government. Was there any discussion with respect to that type of thinking on the part of the minister and, if so, what was the reply in that regard?

Hon. Bud Cullen (Minister of Manpower and Immigration): I am not certain what the hon. member means in the first part of his question about abdicating or backing off.

Mr. Alexander: I meant that he does not want 55 per cent control.

Mr. Cullen: We agreed to look at that option along with others that have been suggested to him. This group was set up because the question is a little more complex and it may well be that, as is the case with shareholders in a company, a 30 per cent interest may very well be the controlling interest. We want to look at all the options and have an open and free discussion on them, and to that extent we agreed to look at it, so there was no backing off or backtracking. It was a question of examining not only that option but all other options that have been suggested.

Similarly with respect to the second part of the hon. member's question, we pointed out that in those areas at the federal level we should play a major role and in other areas the provinces could play their major role. That again is one of the several options that would be considered by the special working group.

Oral Questions

AVAILABILITY TO OTHER PROVINCES OF POWERS GRANTED QUEBEC

Hon. Marcel Lambert (Edmonton West): Would the minister tell the House whether he has indicated to the minister from Quebec that the same considerations would be offered to the other provinces, or would there be a mix or a variant of that formula offered to each of the provinces of Canada at their option; in other words, that there would be ten bilateral negotiations between the government of Canada and the provincial governments with regard to the national immigration policy? Was that disclosed to the minister from Quebec and, if so, what were his comments?

Hon. Bud Cullen (Minister of Manpower and Immigration): He felt that he had met his responsibility as the provincial minister in a federal system to indicate to the federal Minister of Manpower and Immigration where Quebec had a role to play and that it should have a codetermining role, if you will, in selecting the flow of immigrants. When I mentioned to him that these options would of course be available to other provinces, he said that it would be up to them to take their own initiatives; he has his responsibility as the provincial minister in a federal system to do what he can to enhance the flow of immigration to Quebec. So he is certainly aware of it.

POSSIBILITY OF RESTRICTIONS ON MOBILITY OF IMMIGRANT LABOUR

Hon. Marcel Lambert (Edmonton West): With regard to the second aspect referred to by my colleague, the hon. member for Hamilton West, would the minister indicate whether any restriction was to be imposed on the mobility of immigrant labour entering any particular geographic area of Canada and, if so, if the restrictions were breached by the immigrant, what might be the result?

Hon. Bud Cullen (Minister of Manpower and Immigration): I indicated that one of the strengths of Canada was the fact that people in Canada, both immigrants and Canadians had mobility and should be able to move from province to province and it was essential that that mobility be maintained. That was when Mr. Couture used the expression that there would of course have to be a common denominator so that an immigrant who was accepted by Quebec, for whatever reasons, would be able to move and settle in Ontario or another province if that would be his or her wish.

* * *

CP AIR

POSSIBILITY OF SALE OF AIRLINE

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is for the Minister of Transport. A federal official quoted in a Montreal *Gazette* report of last Friday said that high level discussions between the premier of Alberta and the president of CP Air Limited concerning the sale of CP Air had taken place. Can the Minister of Transport say whether that report is correct and at what stage of negotiations the two principals find themselves?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I suppose it is always difficult when the press purport to report some high level source to say whether it is true or not that the source knows anything. Let me say quite plainly that no source that I seem to know as knowing anything about it knows anything about the subject. I have now checked a number of sources both outside and in the government, and I believe there is nothing to it at all.

* * *

ATOMIC ENERGY OF CANADA LIMITED

ALLEGED STATEMENT CONCERNING ESTABLISHMENT OF PLANT TO PRODUCE PLUTONIUM—GOVERNMENT POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources, may I direct my question to the Acting Prime Minister because the matter I want to raise has to do with the government in general. Last Thursday in the House the Minister of Energy, Mines and Resources stated that the government had made no decision with respect to the construction of a reprocessing plant to extract plutonium from radiation waste and to use that plutonium with thorium to provide electric energy for Ontario Hydro. I want to ask the Acting Prime Minister if the government's attention has been drawn to a press conference last Friday at which officials of AECL stated that it would be inappropriate to scrap the plans for a plutonium plant even if the government is opposed. May I ask the Acting Prime Minister also if he thinks it is appropriate that officials who are hired to advise the government on the nuclear energy policy should be publicly advocating a course of action on which the government itself has allegedly not yet made a decision?

Hon. Robert K. Andras (Acting Prime Minister): Until the hon. member raised the question, to the best of my knowledge the attention of the government had not been drawn to the press conference. That is in answer to the first part of the question. If the story, as alleged by the hon. member, is correct, I will most certainly want to see the government question the propriety of any agency making a statement indicating its opposition or contradiction to or its disagreement with what appears to be the government's stated policy. But I would like to check what the hon. member has quoted, which he probably got from the press as well.

* * *

ENERGY

SUGGESTED PUBLIC INQUIRY INTO USE OF NUCLEAR ENERGY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that modern science has given us tremendous powers which can be used for the benefit of or the destruction

of mankind, and in view of the fact that the nuclear advisers to the government are engaged in the business of selling nuclear reactors and technology, I want to ask the Acting Prime Minister whether the government is now prepared to consider the fact that the time is long overdue for Canada to follow the example of other countries, such as the United Kingdom which appointed a royal commission under Sir Brian Flowers, to assess the dangers and the benefits of nuclear energy and to come up with recommendations upon which Canada could base the same nuclear policy that would be in the public interest?

Hon. Robert K. Andras (Acting Prime Minister): I would point out to the hon. member my own view that the government is totally aware of the potential dangers and it has these constantly under examination. In fact it is taking measures to make sure that the proliferation and sale of reactors is carried out under a sound and sane policy, as the hon. member suggests. As to whether it would be necessary for a royal commission to be struck to do this, that is a different question indeed, and I take that as a representation which no doubt will be noted.

● (1440)

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the answer of the Acting Prime Minister I would like to point out that the Minister of Energy, Mines and Resources said last Thursday that he had asked the Standing Committee on National Resources and Public Works to look into this matter, but, as every hon. member in the House knows, that committee has neither the time nor the expertise to examine a problem of such magnitude. I wonder if the Acting Prime Minister would undertake to discuss with the Prime Minister and his colleagues the fact that a reprocessing plant is not immediately necessary, and in light of that whether it would be preferred—because this has not been dealt with in any of the government's guidelines regarding the export of nuclear capacity—to examine the whole question of reprocessing plants by appointing a commission consisting of qualified scientists with no commercial bias in the hope that we might be able to establish guidelines for our domestic nuclear policy before we embark upon a course of action which could have disastrous effects not only on ourselves but also on future generations.

Mr. Andras: Mr. Speaker, obviously the hon. member is registering his concerns, and we should be listening to him. The hon. member made a representation which I will certainly ensure is carried forward for consideration. Beyond that I cannot give the hon. member a definitive answer.

* * *

GOVERNMENT ADMINISTRATION

DATE OF APPOINTMENT OF COMPTROLLER GENERAL

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is directed to the President of the Treasury Board. Now that the government has announced the creation of the position of comptroller general, would the minister bring the House up to date on the progress he is making in acquiring a suitable candidate to fill that very important position, and can he tell the House when we might expect that appointment to be announced in the House?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, the search for a qualified person to fill that position is underway with vigour. The search involves the examination of potential candidates from within the public service and from outside the public service. It is proceeding. I cannot give the hon. member any specific date by which the decision as to who will get the appointment will be made except to express my keen interest in proceeding as quickly as possible. I hope it will be before very long because there is considerable organization and reorganization which must accompany that appointment which begins with putting a competent person into the job.

POSSIBILITY OF CHANGES IN FINANCIAL ADMINISTRATION ACT AS RESULT OF APPOINTMENT OF COMPTROLLER GENERAL

Mr. Don Mazankowski (Vegreville): Mr. Speaker, the minister has stated today, and on previous occasions, that the creation of this position will require a major restructuring of the Treasury Board Secretariat. Will this involve amendments to the Financial Administration Act, and if so, is it the intention of the minister to introduce legislation before the summer recess to accommodate those changes in the Financial Administration Act?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, I am advised that the appointment of a comptroller general at the deputy minister level reporting directly to the President of the Treasury Board would probably be best carried out by a minor in terms of quantity amendment to the Financial Administration Act. I have had some discussions with representatives of the other parties to see how quickly that might be done because if we could get the time to do it quickly, my own view is that that would be desirable. However, as the hon. member knows, there are some plans for more extensive amendments to the Financial Administration Act which might not be possible to place before the House before the fall. This really is still a question of negotiation, and frankly I have not yet received an answer as a result of my discussions with hon. members opposite.

* * *

IMMIGRATION

SUGGESTION GRANTING OF POWERS TO QUEBEC SHOULD BE DEBATED IN HOUSE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question arises out of the initial questions to the Minister of Manpower and Immigration. If I understood him correctly, he agreed that arrangements could be made between the federal and any provincial government—and other provin-

cial governments would have the same right—to determine the question of immigration into their respective provinces. That to me is a proposition which is a denial of any concept of "one Canada". Would that not lead to a situation whereby any one province could say that whatever the other provinces said, "We do not want any French people migrating into this province; we do not want any English people migrating into this province; we do not want Jews in this province"? Is this not an outrageous proposition which will balkanize Canada? I suggest to the minister that this is too serious to leave to this government to come to an arrangement with the P.Q. government in Quebec. It is a matter which should be brought before the House of Commons so that we can find out the views of Canada and Canadians as a whole. Balkanization may meet a situation which exists today, but in the future it would be a denial of any expectation of greatness in the destiny of this nation.

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, I might agree with the right hon. gentleman if the points were being awarded on the basis of the criteria that he is suggesting. That might have the impact of balkanizing the country. I feel that we are dealing here with section 95 of the British North America Act, which makes provision for a co-determination of the landing of immigrants in this country. This has worked to the benefit of this country since it became a nation. I do not think anyone would deny that. We are attempting to live up to the spirit of the British North America Act, section 95, by saying to the provinces that it is conceivable that in the past the federal government has acted almost in a unilateral way by setting out the points system, by saying who would be allowed to come in and by letting immigrants settle wherever they please. Quebec and other provinces—

Mr. Diefenbaker: What other provinces?

Mr. Cullen: Manitoba for one—have indicated that they, too, would like to have a say in either the points system or in finding some other formula whereby there could be a codetermination of the movement of immigrants into the country. I think this is something we should discuss, and we should live up to our responsibilities as a federalist state under section 95.

Mr. Diefenbaker: Mr. Speaker, I know the contents of section 95, but does the minister not admit that it was never contemplated that a proposition would be advanced by any government which would place the government of the provinces in the position of being able indirectly or directly to control immigration into their provinces? Consultation, yes, but not outright acceptance of the viewpoint of the provinces. The minister believes discussions should take place, but does the minister not agree that the discussions should be held here in the House of Commons so that this matter can be determined as a result of the views of Canadians as a whole rather than those of the Prime Minister of Canada and the Premier of Quebec, who in the past were as close as two peas in a pod?

Mr. Cullen: Mr. Speaker, I think the right hon. gentleman and I share the hope of the minister of immigration for the province of Quebec that we do in fact maintain a Francophone immigration into this country. We have come up with suggestions and ideas in the past which have been adopted, and in two agreements entered into by predecessors of mine we have in fact recognized that. The Bienvenue-Andras agreement is a good example of that. The fact that we spend money on advertising only for Francophone immigration was recognized, and in the interest of doing that which is good for Canada we are authorized under the statute to enter into individual agreements. Mr. Couture has no desire to indicate that people should flow only into Quebec. That would not be acceptable. He has used the expression "common denominator", and I think we must maintain that not only in the best interest of Quebec but also in the best interest of Canada.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: This is a question of more than political and partisan argument. This is a matter which affects the future of Canada. Has the government become too self-satisfied to permit it, or would the minister agree that this matter should be brought before the House to find out the views of parliament rather than the views of two who in the past have been close and who are desirous of coming to some arrangement today, regardless of any consideration?

Mr. Cullen: Mr. Speaker, if the two leaders to whom the right hon. gentleman refers could keep Quebec in Confederation, I think it would be time well spent.

Some hon. Members: Hear, hear!

• (1450)

METHOD OF AGREEING ON COMMON DENOMINATOR IN ESTABLISHING CRITERIA FOR PROSPECTIVE IMMIGRANTS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. May I ask him if the so-called common denominator will not have to be agreed upon by all provinces, so that any immigrants acceptable to one province will also be acceptable to others? If this common denominator is agreed upon, how will it be negotiated?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, that is precisely why we set up this particular group, to look into the kind of situation that the hon. member envisages and also to see to it that we do not focus only on a points system but look to other avenues that might be more effective. I can see for example a dual operation and dual officers being delaying and counterproductive to what Canada wants and the best kinds of immigrants for Canada. We are going to do everything we can to see to it that we maintain that particular stance.

Mr. Ritchie: The newspapers report that a group of officials will be negotiating this in the coming summer. May I ask if other provinces will have representatives at these meetings?

Mr. Cullen: No, Mr. Speaker. As I indicated the provinces are showing their individual initiative as to what extent, what level and in what numbers they want to participate. We have made provision under the new immigration bill to solve the problem. We have done demographic studies on numbers and before any numbers are announced in this House, we must have more full and frank discussion with the individual provinces. This is one area where some initiative has been taken by the province of Quebec. We have had correspondence from one other province that I am aware of today.

* * *

CENTRAL MORTGAGE AND HOUSING CORPORATION

BASIS ON WHICH FUNDS DISTRIBUTED TO PROVINCES

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is for the Minister of State for Urban Affairs. Would the minister be kind enough to explain to the House on what basis the capital budget commitment for funding CMHC is disbursed to the provinces? Is this funding disbursed on a per capita basis or on the basis of expanding housing needs in the various provinces? I ask this question in light of the fact that the Minister of Housing and Public Works for Alberta has suggested that Albertans have been treated less than equitably in past funding.

[*Translation*]

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, the allotment of funds is made in accordance with programs established under the National Housing Act and it is obvious that all provinces would like to obtain more. However, I think that Alberta receives its fair share in that allotment.

[*English*]

Mr. Elzinga: A supplementary question. I find it rather hard to understand how the minister can say Alberta is getting its fair share when on a per capita basis—

Mr. Speaker: Order, please. The hon. member has begun on a subject that is probably too wide for the question period and which really ought to be dealt with when the minister is before the standing committee with his estimates. He is now carrying on what is only the logical conclusion but which regrettably is argument rather than questioning.

* * *

ATOMIC ENERGY OF CANADA LIMITED

STATEMENT CONCERNING ESTABLISHMENT OF PLANT TO PRODUCE PLUTONIUM—GOVERNMENT POSITION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is directed to the Prime Minister. It concerns the plutonium reprocessing plant and the Prime Minister's statement in the House last Thursday and also at his weekly press conference. The day after, officials from Atomic Energy of Canada Limited held a press conference at which they stated it was their opinion it was inappropriate to drop plans for this pilot plutonium plant despite the government's position. I want to know whether the officials from Atomic Energy of Canada Limited were stating government policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of the statements made by the officials. If in fact they made the statements they are quoted as having made, it does not seem to me there is a great contradiction between their position and ours. We have not drawn up any definite plans for a reprocessing plant. I reported to the House last week and in the press conference that the matter was under study and that at the summit in London we had agreed to set up a 60-day study. I indicated that this group was already planning to meet early in June or late in June and that no decision has been taken.

Mr. Hnatyshyn: A supplementary question, Mr. Speaker. The position taken by the AECL officials was that the policy accepted by Canada at the international meeting referred to was out of kilter with the need to extend uranium resources by recycling the spent fuel through plutonium which could then be used with thorium to generate more power in existing Canadian reactors. What I want to know is whether the AECL position is that of the government, being completely contradictory to the position put forth by the Prime Minister and the Minister of Energy, Mines and Resources and who makes the policy with respect to this very important area—the AECL officials or Senator Keith Davey?

Mr. Speaker: The hon. member for Perth-Wilmot.

* * *

NORTHERN AFFAIRS

DRILLING IN BEAUFORT SEA—DATE OF DECISION ON APPLICATION OF DOME PETROLEUM

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I wanted to put a question to the Minister of Indian Affairs and Northern Development who left the Chamber so I will therefore direct it to the Prime Minister. Some weeks ago I directed a question to the minister regarding the delay in the application of Dome Petroleum and their drilling company Canmar for their five-year drilling permit for the Beaufort Sea and the minister indicated the delay was caused by the investigation into the circumstances surrounding the oil spill in the North Sea. May I ask if the investigation into the North Sea incident has been completed and if the Prime Minister can indicate to the House when the decision will be made with respect to the drilling application for the Beaufort Sea in this season and the next four seasons?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, the minister has completed the review and consultation with his colleagues. I believe he will be in a position to make an announcement very soon.

Oral Questions

SOCIAL SERVICES

REQUEST FOR INCREASED ALLOWANCE FOR PARAPLEGICS AND QUADRAPLEGICS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question to the Minister of National Health and Welfare relates to increased allowances for paraplegics and quadraplegics in this country. I realize the legislative aspect of the question at the moment. Can the minister inform the House if any special studies are going on at the present time in his department with regard to a special allowance for these people who are unfortunate enough to be confined to a wheelchair without the added cost of catheters and medication as well as the frustration of facing a wheelchair every day?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first of all, I am pleased to advise the hon. member that I hope to introduce in this House very shortly a new piece of legislation called the social services act which will have as one of its highest priorities the improvement of services to the handicapped in this country. That legislation, however, will provide for a cost-sharing program and the initiative, as with all other social services, will be the responsibility of individual provinces. As far as specific payments are concerned, such payments are authorized for cost-sharing under the Canada Assistance Plan but the provinces must take the initiative in deciding the level of payments with the federal government paying 50 per cent of what the program costs as determined by the provinces. Unfortunately, the government has no constitutional or legal authority to provide for direct payments to the handicapped of this country.

Mr. Muir: A supplementary question. I thank the minister for his reply and I appreciate the information he has provided. As one who spent many, many months in a wheelchair and who had to learn to walk all over again, may I ask if the minister would make special representation in regard to the Canada Assistance Plan to his provincial counterparts to ascertain whether things could not be arranged on a better basis than under that particular act. As it is now, the poorer provinces cannot cope with the 50-50 arrangement.

Mr. Lalonde: Mr. Speaker, this matter was investigated at great length with the provinces when we discussed the establishment of an income support and supplementation program. On the whole the provinces recognized that the system whereby the federal government finances roughly 50 per cent of the cost is still the one that is most acceptable all around.

* * *

TELEGLOBE CANADA

ALLEGED INCREASE IN PERSONNEL—PROPOSED CONSTRUCTION OF SATELLITE STATION NEAR MONTREAL

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Communications. There is a report of tremendous growth in the bureaucracy during recent months at Teleglobe Canada in Montreal, the company that used to be known as the Canadian Overseas Telecommunication Corporation. Would the minister inform the House of the reason for this tremendous increase in personnel and at the same time would she indicate whether it is the plan of Teleglobe to build a new satellite station north of Marion Heights near Montreal and if so, how much will be expended for this new station?

[*Translation*]

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I am not aware of any tremendous growth in the personnel of Teleglobe Canada during recent months, but I will ask the president and be able to give the information to the hon. member.

As for the new earth station, I know it is under construction. I could give the specific reasons for it later, but for the moment I believe this is to give more services.

* * *

● (1500)

[*English*]

EXTERNAL AFFAIRS

REASON CANADA ABSTAINED FROM VOTING ON ARTICLE TO EXTEND RIGHTS OF PRISONERS OF WAR

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, in the absence of the Secretary of State for External Affairs, may I direct my question to the minister responsible for answering. A committee of the conference meeting in Geneva to update the 1949 Geneva Convention recently voted for a draft article which appears to blur completely the distinction between soldier and murderer, and to extend the rights of prisoners of war to guerrillas, terrorists, skyjackers and hostage takers. Canada, the great abstainer, abstained again on this matter. I should like the minister to explain why we abstained instead of voting against the draft article?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the purpose of this conference is to extend the protection afforded by the 1949 Geneva Convention to those affected by armed conflict. While Canada has actively supported the humanitarian aims of the conference, we abstained on this question, along with a number of other western delegations, since the terms of the article were highly ambiguous and could be interpreted to adversely affect the protection which is to be afforded to the civilian population during times of war.

Mr. McKinnon: Mr. Speaker, I thank the parliamentary secretary for his answer. May I direct this supplementary question to him: Is he aware that this amendment would have enabled such people as the murderers of Mr. Laporte to claim legal immunity from prosecution as criminals? Is he prepared to table the draft amendment and also prepared to assure the House that, before Canada ratifies any new Geneva convention, the House will be given full opportunity to debate it?

[*Translation*]

Mr. Leblanc (Laurier): Mr. Speaker, the answer given is rather complete. However, we will consider the new items mentioned by the hon. member and give him an answer later.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF MAURITANIA

Mr. Speaker: Order please. In closing the oral question period, I will take a moment to call attention to the presence in our gallery of a very distinguished guest, His Excellency Moktar Ould Daddah, President of the Islamic Republic of Mauritania.

[*English*]

Mr. Broadbent: Mr. Speaker, I rise on a point of order. Last Tuesday I asked the Minister of Manpower and Immigration (Mr. Cullen) a question about certain unemployment figures his department had produced. He cast doubt on the accuracy of the question, but said he would look into it. He confirmed in the House today that such figures were produced for the province of Quebec.

I asked the Minister of Finance (Mr. Macdonald) if similar horrendous figures had been compiled for other provinces, and he, too, doubted the existence of such figures. He questioned the correctness of the allegation, then alluded to further inquiries on his part. The Minister of Manpower and Immigration admitted in the House today the existence of such figures forecasting significant unemployment increases for the next two years with respect to six of ten of Canada's provinces.

I should like to clear up any doubt about the veracity of the figures. It has been admitted that they exist. Earlier, the Minister of Finance doubted their existence. In order to clear the issue, I think it might be useful if members of the House would agree unanimously to the tabling of such figures submitted by the Department of Manpower and Immigration to a short-term task force interdepartmental committee on employment development. If there is unanimous agreement, I ask that those figures be appended to today's *Hansard*.

Mr. Speaker: Order, please. It seems to me that the hon. member for Oshawa-Whitby (Mr. Broadbent) has already accomplished what he wishes by the reference to the matter during the question period and by his request now that such figures be printed in *Hansard*. However, he asks unanimous consent. This is required, of course, if such figures which were referred to earlier during questions are to be appended to *Hansard*. Is there unanimous consent to table such figures and append them to *Hansard*?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Order, please. There is not unanimous agreement.

Mr. Broadbent: Someone on the government side said no.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

EXTENSION OF SITTING HOURS

Hon. André Ouellet (for the President of the Privy Council) moved:

That, commencing May 31, 1977 and continuing to June 30, 1977, notwithstanding any Standing Order:

(1) Any Standing Order that establishes a forty minute limit speeches shall be deemed to establish a thirty minute limit;

(2) Except on days allotted pursuant to Standing Order 58, on Mondays, Tuesdays and Thursdays, the House shall continue to sit until 10.30 p.m.;

(3) On Mondays, Tuesdays and Thursdays, the House shall sit from 11.00 a.m. to 1.00 p.m. to consider Government Orders other than the business of supply, provided that proceedings pursuant to Standing Order 15(2) and (3) shall be taken up at the usual time;

(4) On Mondays, Tuesdays and Thursdays, proceedings pursuant to Standing Order 40 shall be taken up between 6.00 p.m. to 6.30 p.m.

Motion agreed to.

* * *

JUSTICE AND LEGAL AFFAIRS

CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

Mr. Mark MacGuigan (Windsor-Walkerville) moved that the seventh report of the Standing Committee on Justice and Legal Affairs presented to the House on Friday, May 27, 1977, be concurred in.

Motion agreed to.

* * *

PRIVILEGE

MR. PAPROSKI—PROCEDURE IN DEALING WITH S.O. 43 MOTIONS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I rise on a question of privilege concerning something I have just read in *Hansard*, and I raise the question at this time. I refer to page 5968 of *Hansard* for May 26, 1977, and to an exchange between the right hon. member for Prince Albert (Mr. Diefenbaker) and the Minister of Transport (Mr. Lang). The right hon. gentleman had been talking about a certain procedure relating to Standing Order 43, when the minister rose on a point of order. *Hansard* reports the appropriate passage as follows:

MR. LANG: Yes, Mr. Speaker, on a point of order I think the record should show that Mr. Paproski, thus named, is notorious in this House for saying someone said "No" very frequently when it is totally false to say so.

Sir, I know of no rule which does not allow me, when I see a certain hon. member on the other side of the House mouthing the word "no" after Mr. Speaker has asked if there is unanimous consent for the acceptance of a motion under Standing Order 43, to say that an hon. member is saying no. As *Hansard* reported on page 5968, I did say, "Ralph Goodale said no." I regret the minister raised that point of order, but it did happen. I think the minister opposite should withdraw that statement. He might as well have said I am lying.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the occasions when I have seen the hon. member who just spoke allege that a certain member shouted no when it was clearly not true to say so are numerous indeed, and they have even involved me. I should like it to be known that I classify this statement, as I presume he classifies his own actions, with the nature of his humour or his sense of humour. I do not think it is an appropriate practice; indeed, I think it is a deplorable practice. In future I will try to identify occasions when he makes wrong allegations, and particularly when they are reported in *Hansard,* with regard to any particular member's saying no, when he has not done so.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise on the same question of privilege. I suggest the minister misinformed himself. That is understandable. He does that periodically. From my experience, most of the time members behind him shout no, and unless he has eyes in the back of his head, which I doubt, he cannot tell who is saying no.

Mr. Speaker: Order, please. There is apparently a desire on the part of those contributing to the discussion to contribute more than once. Members on both sides of the House have contributed to discussion of the point. There are, I am sure, many explanations on both sides with respect to statements which have been made. It seems to me that all made reference to situations which are somewhat inaccurately described as having occurred in the past. They will probably recur in the same way somewhat frequently in the future, which should give the parties who want to test the validity of these questions ample opportunity to do so, and it should not be necessary to go further this afternoon.

● (1510)

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, it seems that the difficulty which has been encountered in this case and encountered before could be remedied by the committee studying the rules and procedures of this House if it were provided in the Standing Orders that any member who wants to say no when a motion is introduced under Standing Order 43 be required to stand up and be recognized so that he is recorded in *Hansard.*

Some hon. Members: Hear, hear!

[Mr. Paproski.]

Mr. Douglas (Nanaimo-Cowichan-The Islands): That is the only way we will prevent this difficulty of some relatively anonymous person with his head behind a book saying no, the record showing that the House has refused consent and nobody knowing who it is who has refused to give consent. If any member wants to refuse to give consent to the debating of a motion introduced under Standing Order 43, he or she ought to be willing to stand up and be recognized.

Mr. Speaker: Order, please. The suggestion made by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) has been made on numerous occasions in the past by other members. There are, of course, other aspects of it that ought to be considered by the Committee on Procedure. There are occasions when members, even if they support the subject matter of a motion, are reluctant to see the business of the day set aside for debate. Perhaps it might be useful to have the procedure committee consider that, if a member is to be identified as withholding his or her consent, they ought to be given the opportunity to explain their reasons. There are all kinds of considerations involved.

I think all members are aware that the Committee on Procedure has been requested a number of times by other members to examine this matter. It is hoped that if there can be improvements in the manner in which we handle these motions, the procedure committee will move to do so and examine reasonably soon to see if there are any recommendations that might meet the approval of all sides of the House.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,226, 1,449 (Supplementary), 1,924, 1,957, 2,311, 2,413 and 2,457.

Mr. Knowles (Winnipeg North Centre): Is that all?

[*Text*]

OCEAN MANAGEMENT

Question No. 1,226—**Mr. Forrestall:**

1. With reference to the answer to Question No. 1,327 of the First Session of the 30th Parliament, has there been consultation between industry and government on the identification of a series of priorized and integrated ice excellence research and development programme requirements and, if so, what was such consultation?

2. Did such consultation result in identifying specific programme requirements and, if not, for what reason?

3. If the programme requirements have been identified, have they been presented to the appropriate Ministers and (a) if not, for what reason (b) if so (i) what do they require of each of the responsible Ministers (ii) what has been the response of each of the appropriate government departments or agencies?

4. Is there a panel on Ocean Management and, if so (a) what is it (b) what are the names of the members and who does each represent (c) how often does it

meet (d) what are its responsibilities (e) what input has it made with respect to the implementation of the "New Oceans Policy"?

5. Does the government fund or support research in oceanography and ocean engineering at Canadian universities and, if so (a) what is it (b) which universities have received such funding and how much has each received each year since 1972?

6. Have bilateral agreements been signed between Canada and other countries in the area of Ocean Science and, if so, what are Canada's specific responsibilities under any such agreements?

7. (a) Which departments and agencies are involved in the implementation of the "New Oceans Policy" (b) what is the responsibility and duties assigned to each?

8. (a) Do foreign companies, operating off the Canadian East Coast obtain information relating to ice/weather conditions from the government (b) does the government know if these companies are conducting their own studies into weather and ice conditions in the area and, if so, does the government have access to any resulting information and, if not, for what reason?

Hon. James Hugh Faulkner (Minister of State for Science and Technology): In so far as the Ministry of State for Science and Technology is concerned: 1. Consultation between industry and government on the identification of ice excellence research and development programme requirements was in the form of two workshops arranged by a consultant retained by the Ministry of State for Science and Technology. The first workshop was devoted to Arctic commercial activities, primarily in the petroleum and transportation sectors, and was attended principally by industrial representatives. The second workshop, primarily involving government participation, focussed on the fishing industry and government support services for Arctic waters operations.

2. The workshops produced a very large number of recommendations and suggestions with respect to the development of ice covered waters capabilities. Through extensive interdepartmental consultations these recommendations were developed into a series of programme requirements with respect to: weather forecasting (Department of Fisheries and the Environment), ice forecasting (Department of Fisheries and Environment, Ministry of Transport), hydrography (Department of Fisheries and the Environment, Ministry of Transport), communications (Department of Communications, Department of Fisheries and the Environment, Ministry of Transport), navigation aids (Ministry of Transport), arctic vessel research (Ministry of Transport, National Research Council), arctic engineering research (National Research Council), icebreaking (Ministry of Transport), search and rescue (Ministry of Transport, Department of National Defence, Department of Fisheries and the Environment), and oilspill detection, containment and clean-up (Department of Fisheries and the Environment, Ministry of Transport).

3. (b)(i) and (ii) The programme requirements developed cooperatively by the responsible departments have been presented to the appropriate Ministers. Specific plans for implementation will be formulated by departments, as noted in 2 above, in the context of their existing activities in these service areas, and in conformity with the development of new demands for the services and the availability of funds.

4. (a) The Panel on Ocean Management is an interdepartmental committee with representation from all departments and agencies having responsibilities and interests with respect to the management of the ocean and its resources. (b), (c) and (d) Responsibility for the Panel has recently been transferred from the Ministry of State for Science and Technology to the Department of Fisheries and the Environment, which has been given lead department responsibility for ocean matters. The Panel's membership, terms and reference, and activity plans are now under review following this transfer. (e) The Panel has reviewed ocean management functions in the light of changing jurisdictional responsibilities, priorities and technologies as a basis for continuing interdepartmental consultations on ocean policy and departmental operations and plans.

5. (a) and (b) Since 1972, grants for the support of research in oceanography and ocean engineering have gone to the following universities from the National Research Council, Department of National Defence (Defence Research Board), Department of Fisheries and the Environment, and Department of Energy, Mines and Resources:

Grants in Thousands of Dollars by Fiscal Year

Universities	1972-73	1973-74	1974-75	1975-76	1976-77	Total
Acadia	6.0	—	—	—	12.5	18.5
Alberta	36.5	30.0	36.0	34.8	40.8	178.1
British Columbia	602.1*	622.2	549.5	443.4	561.1	2,778.3
Brock	—	—	—	4.9	11.5	16.4
Calgary	19.5	32.6	31.8	34.9	27.0	145.8
Carleton	7.0	5.0	11.5	7.8	8.0	39.3
Concordia	—	—	—	5.9	9.0	14.9
Dalhousie	240.9	526.8	498.7	623.6	534.1	2,424.1
École Polytech Mtl	13.0	10.0	20.6	11.6	5.3	60.5
Guelph	57.8	70.0	81.0	91.9	116.6	417.3
Laval	45.7	54.7	163.5	186.4	146.2	596.5
McGill	176.1	191.2	194.1	221.2*	215.0	997.6
McMaster	19.0	39.9	40.4	32.9	39.7	171.9
Memorial	392.3	404.3	392.1	439.3	373.4	2,001.4
Moncton	5.0	—	—	4.0	5.0	14.0
Montréal	37.0	41.6	30.0	37.1	34.0	179.7
Mount Allison	—	2.5	2.5	2.9	—	7.9
New Brunswick	31.2	28.9	23.3	35.0	33.3	151.7
N.S. Tech. College	34.5	45.6	17.8	—	4.0	101.9
Ottawa	9.0	9.0	—	—	20.0	38.0

Grants in Thousands of Dollars by Fiscal Year

Universities	1972-73	1973-74	1974-75	1975-76	1976-77	Total
Prince Edward Island	2.0	5.0	5.0	5.7	—	17.7
Queen's	37.9	32.2	23.9	24.3	27.5	145.8
Québec	23.0	29.8	39.0	67.9	58.5	218.2
St. Francis Xavier	8.5	12.0	9.0	5.7	5.0	40.2
St. Mary's	4.0	4.9	4.9	5.5	—	19.3
Sherbrooke	4.0	—	20.0	10.3	10.5	44.8
Simon Fraser	45.0	48.0	51.8	45.8	51.5	242.1
Toronto	90.7	75.4	76.4	84.4	114.1	441.0
Victoria	67.0	70.8	78.8	137.2	177.4	531.2
Waterloo	23.0	61.5	2.9	4.9	6.0	98.3
Western Ontario	—	—	—	—	4.0	4.0
York	—	—	10.0	—	—	10.0
Consortia						
WCUMBS**	250.0	77.0	42.5	62.4	51.2	483.1
Huntsman Marine Laboratory	70.0	60.0	45.0	51.2	52.5	278.7
GIROQ***	300.0	210.0	250.0	—	—	760.0
Totals	2,657.7	2,800.9	2,752.0	2,722.9	2,754.7	13,688.2

* Data incomplete
** Western Canadian Universities Marine Biological Society (Bamfield Research Station).
*** Groupe interuniversitaire de recherches océanographiques du Québec.

6. Canada has signed bilateral agreement for cooperation in science and technology with four countries: Belgium, the Federal Republic of Germany, France, and the USSR. In all four cases ocean science has been identified as a potentially fruitful area of cooperation. Canada's responsibilities, as outlined in the agreement, involve the exchange of relevant scientific and technical information, exchange visits by research scientists, and joint cooperation on ocean science projects.

7. (a) The following departments and agencies are involved in the implementation of the "New Oceans Policy": Fisheries and Environment; Industry, Trade and Commerce; Energy, Mines and Resources; Transport; the Ministry of State for Science and Technology; Indian Affairs and Northern Development and the National Research Council. (b) In consultation with other interested departments and agencies, the departments in (a) have the following responsibilities: Fisheries and Environment—renewable resource management (fisheries and other renewable aquatic resources) in order to maintain the long-term viability of these resources.—protection of the marine environment including the detection, containment and clean-up of polluting substances.—improvement of capabilities for weather and ice forecasting.—participation in international meteorological and oceanographic projects. Industry, Trade and Commerce—the development and support of Canadian ocean industry. Energy, Mines and Resources, Indian Affairs and Northern Development—non renewable resource management involving the regulation, development, production and transportation of hydrocarbon and mineral resources of the seabed. Transport—the development and control of navigation including the supervision and control of vessel and other traffic on and under the ocean. Ministry of State for Science and Technology—continuing review of oceans policy, particularly its science and technology aspects. National Research Council—support of research in marine science and technology in Canadian universities.

8. (a) Companies operating off the Canadian east coast essentially receive the same level of information relating to ice/weather conditions from the Atmospheric Environment Service that is generally available to all individuals and companies, if they provide their own means of access to the telecommunications system. Special services can be provided on request if the company provides regular observations from the site and if the company pays the incremental cost of such special service. A special service was provided for a company during the summers of 1975 and 1976. (b) As far as is known, companies operating off the Canadian east coast are not conducting studies into weather and ice conditions.

[Mr. Faulkner.]

FORMER DEPUTY MINISTERS OF FINANCE

Question No. 1,449—**Mr. Herbert:** (Supplementary)

Since April 1, 1968, what are the names of all persons who have occupied the position of Deputy Minister of the Department of National Revenue and, in each case, what was the date of appointment?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Taxation: McEntyre, J. Gear, July 6, 1954; Sheppard, David H., November 2, 1966; Cloutier, Sylvain, March 1, 1970; Armstrong, E. B., September 1, 1971; Hodgson, Dr. J. S., December 28, 1974.

LOTO CANADA

Question No. 1,924—**Mr. Munro (Esquimalt-Saanich):**

Did the head office of Loto Canada, or any of the regional or branch offices, mail unsolicited order forms for lottery tickets and, if so (a) in what volume and to what extent, (b) what is the annual cost and who bears the cost, (c) on what date did such a practice begin and will it continue?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Loto Canada has sent out one mailing of order forms. (a) 4,850,000 in all provinces except Quebec. Marketing research determined that the market in Quebec was much closer to saturation than were the markets in the other provinces. In addition, for the other provinces as a whole, there is a higher proportion of population

in low density areas which is more difficult to reach with the normal distribution system. For these reasons, the cost-benefit ratio of a mailing to the other provinces was superior. (b) $315,432. The cost of this mailing is borne by Loto Canada. (c) Mailing took place on January 21, 1977. There are no plans at the present time for another mailing.

SALE OF MASSEY-FERGUSON TRACTORS TO RUSSIA AND/OR ARGENTINA

Question No. 1,957—**Mr. Halliday:**

Has any department or agency sold, or arranged for the sale of, Massey-Ferguson tractors to Russia and/or Argentina and, if so (a) what are the model numbers (b) what extra equipment was on the machines (c) how many were sold (d) what was the price per unit?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Massey-Ferguson Limited does not manufacture tractors in Canada. The Department of Industry, Trade and Commerce has no knowledge of any federal department or agency having sold or arranged for the sale of Massey-Ferguson tractors to Russia and/or Argentina.

STUDIES ON CONSTRUCTION OF PROTOTYPE OF ELECTRICAL VEHICLE AND SOLAR ENERGY VEHICLE

Question No. 2,311—**Mr. Fortin:**

Has the government undertaken studies on the construction of the prototype of (a) an electrical vehicle (b) a vehicle that uses solar energy and, if so, in each case, what were they?

Hon. Otto E. Lang (Minister of Transport): Transport Canada advises as follows: (*a*) Yes: Reviewed the latest technical advances in electric vehicle and battery research and development; and feasibility study of a limited range electric vehicle principally a utility delivery van and an urban passenger car. (b) No.

ACTION TO DEVALUATE THE CANADIAN DOLLAR WITH RESPECT TO FOREIGN CURRENCIES

Question No. 2,413—**Mr. Howie:**

Is the government contemplating any action which would, either implicitly or expressly, have the effect of formally devaluating the Canadian dollar with respect to foreign currencies?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): The government is not contemplating any action which would have the effect of formally devaluing the Canadian dollar with respect to foreign currencies.

UIC—BCO QUOTA

Question No. 2,457—**Mr. Fortin:**

1. Do benefit control officers of the Unemployment Insurance Commission in (a) Quebec, (b) each of the other regions of Canada, have a specific number of claimants and percentage of exclusion to respect and, if so, what is this quota?

2. If control officers reach their quota sooner than expected, are they off duty for the rest of the week or month?

3. During the training programme, are the benefit control officers taught from the beginning to consider all claimants as cheats and to do all they can to prove them such?

Small Business

Hon. Bud Cullen (Minister of Manpower and Immigration): 1. (a) and (b) No.

2. No.

3. No.

[*English*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NEEDS OF SMALL BUSINESS

Mr. Otto Jelinek (High Park-Humber Valley) moved:

That in the judgment of this House the Government has failed to respond effectively to the needs of the small business sector, has made negligible progress toward the implementation of a small business policy, has neglected to introduce a Small Business Act, and has not freed the productive potential of small business to create jobs for Canadians.

He said: Mr. Speaker, at the outset may I extend my sympathies to the Minister of State (Small Business) (Mr. Marchand) on the death in his family. We all know the sadness that is felt when losing loved ones, and we share that sadness with him today.

It has been roughly one year since the Prime Minister (Mr. Trudeau) appointed a member to his Cabinet who would be responsible for looking after the interests of the small business community. At that time a glimmer of hope arose within this vast and major sector of our economy, a hope that at long last specific action would be taken to reduce the maze of bureaucratic regulations, controls, directives, and the general paper work onslaught would be replaced with a meaningful incentive oriented program.

Unfortunately nearly a year has passed and the small businessman still must look to a government that has no small business policy whatsoever let alone a small business act. He must still look to a government lacking meaningful incentive programs, and he must look at a minister who is attempting to work in a policy vacuum without any terms of reference with which to set his sights for the future.

That reminds me of a statement made by the Minister of National Health and Welfare (Mr. Lalonde), who unfortunately is not in the Chamber today. When faced with the possibility of creating a language ministry, the minister refused such a proposal because the terms of reference were not worked out. One must wonder what the difference is between that proposed ministry and the appointment of a Minister of State responsible for small business when the terms of reference of that portfolio had not only not been worked out, but the minister has to work in a policy vacuum of sorts.

In any event one must begin to wonder about the actual intent of the appointment. I had hoped that the government had at long last realized the necessity of dealing with small business as a separate entity, and that it was finally following in the footsteps of other industrialized nations that had been committed to the betterment of the small business community for some time. Consequently, their over-all economies are far healthier than our own.

Be that as it may, it is a fact that since the appointment of a Minister of State responsible for small business, the government's own attitude toward the small business sector has not changed. The government still does not have a small business policy. The government still does not have a small business act.

What is totally unbelievable and incredible is that the minister still does not have a definition of small business as it relates to his portfolio. How can you expect a government to deal with a specific sector of our economy when the government does not know exactly what sector it is dealing with?

There are a number of departments which deal directly or indirectly with small business. No wonder they are not helpful. No wonder they create bureaucratic paperwork and burdens, and impose all sorts of restrictions on the small business community. The departments cannot know where the line is drawn between large multinational corporations and small business. How can the government continue to pretend, and that is all it is doing, to be interested in this vital sector of our economy, small businesses, when it does not know who it is dealing with?

The minister just recently had the second reading of the Small Businesses Loans Act passed. I look forward to taking part in the committee stage debate on that bill tomorrow. However, it is nothing new. The act was implemented in 1963. This is just a continuation of that act. Hon. members know that act would have expired July 1 had amendments not been introduced.

The amendments do not go far enough. They simply keep time with inflation. Nothing has been done by the government to stimulate the small firms sector. No incentives programs have been established to extend the sector into secondary manufacturing. No effort has been apparent in utilizing this small business community for make-work programs, yet small business, which is responsible for over 50 per cent of the labour force in Canada, is the largest and least costly sector of potential employment opportunity within our economy as a whole. I want to emphasize that. Incredibly this is the one sector that the government continues to overlook when pretending to deal with unemployment.

During my recent trip to Tokyo where I held various discussions with officials of the small and medium size enterprise agencies, what hit me most vividly was the difference in priorities between the Japanese government and that of our own. In Japan, as in the United States, West Germany and elsewhere, governments have been catering to the well-being of the small business community over the past 20 years or so. As a result their economies are far more advanced than ours, especially when it comes to unemployment where, for example, Japan has close to zero unemployment in a population of 110 million people while we have reached the frightening figure of one million unemployed in Canada. One of the main reasons for this imbalance in statistics is that we are not taking advantage of this, the best and cheapest potential job employment opportunities in a mixed economy—I keep referring to small business, of course.

● (1520)

Unfortunately the philosophies of the government over the past decade or so have tended toward centralization, with bigger and costlier governments, stronger and more powerful unions, and larger and fewer multinational corporations. It is my deep concern that unless this trend toward centralization does not reverse itself within the very near future, our system, the free market system upon which this country was built, will slowly but surely disappear to be replaced by what I can only describe as corporate socialism.

Let us remember that small business is the umbilical cord of free enterprise. The fact remains that our governments, despite this, continue to consult with large business and, as a result, most of the legislation is geared solely toward that sector. This forces small business to accept various laws which were not based on their problems in the first place. There is no question that the needs of the small corporation are largely different from those of the large multinational.

I turn to another subject, that of secondary manufacturing. We sometimes tend to forget that Canada is the richest nation per capita in natural resources, and even with that wealth, look at the state of our economy! One of the reasons we are doing so badly is that the government does not provide an incentive. It does not offer an incentive to industry to develop secondary manufacturing. We need the United States, as I have said in the past, to help us develop some of our natural resources.

But what concerns me, what should concern every member of the House, is that instead of continuing to sell our natural resources abroad where we help create employment, in Japan, for example, where we help the economies of foreign nations to develop on the basis of our natural resources as they develop secondary manufacturing to produce the final product, we lose that potential, that opportunity for employment in this country. Then we turn around and buy those finished products back from Japan, though very often they are made out of our own natural resources, at much higher cost. This is a situation which has to be faced by all Canadians and this trend of depending on foreign countries to develop and build their economies from our natural resources must be reversed because one of these days we are going to run out of natural resources, and then where are we going to be, with no secondary manufacturing?

If we want this trend to be reversed we must surely come up with an incentive program to assist the development of these vital secondary manufacturers, and instead of strangling the small business community with bureaucracy and all kinds of restrictions and controls it is time the government initiated forms of incentive, be they through the tax system, research

and development, or a number of other ways where incentives can be introduced. This would encourage the growth and development of small firms, thereby creating employment at the lowest possible cost. This simply is not happening.

To my mind, incentive is the key word and one which has disappeared from the political vocabulary of the government sitting across the way. Instead of incentive programs we are now in the midst of the greatest give-away era in our history. One must remember that the higher the number of direct grants or give-aways the less incentive there is for realistic productivity, just as the higher the number of unemployment benefits, the less incentive there is for long range employment.

This is not to say that less effort should be geared to the well-being of big enterprises and large multinationals. More often than not, however, these are able to fend for themselves. Indeed over the five years I have spent in Ottawa it has become obvious that the effect of a big business lobby on cabinet ministers and their departments can be compared to a tiger in a monkey cage. Whenever big business lobbies for its cause, ministers do back handsprings in an effort to be of assistance.

Unfortunately the small businessman does not have the clout or the resources to make himself heard effectively. Whatever ear-bending has been accomplished must be credited to such organizations as CFIB, the CMA and a few others. Unfortunately whatever success these groups may have had, or whatever success the opposition may have had in proposing realistic recommendations in this regard—and I say "proposing realistic recommendations" because we have done this on a regular basis ever since I have been here, especially in this field—has gone for naught. It is meaningless unless the government commits itself wholly to the betterment of the small business community.

Some of the recommendations we have made in the past were debated on March 28 of this year in connection with a private member's motion in my name. We talked about this subject at length. I shall be very brief. I shall simply call attention to the four points which were included in this motion; first, that tax credits should be allowed in respect of investment in small business. We have been pushing for this since 1972, and not only the small business community but Canadians at large would accept it. But the government is dormant. It has a one-track mind, a preoccupation with bigness, big government, big unions, big labour. This is why unemployment is so high. This is why our economy is suffering. The second point was the need for assistance in the formation of small business export consortia. The third was the need for changes in government tendering practices so that small business would supply an increased proportion of government purchased goods and services. A program to this end has been most effective in the United States. The fourth point concerned the need to reduce the government paperwork burden imposed on small business.

With regard to the last point I must give credit to the Minister of State for Small Business. He has, finally, listened and taken some steps in this direction, though to date they are very hesitant. For example, the government has gone some way toward reducing the reporting requirements to Statistics Canada of certain firms in the construction, transportation and manufacturing industries. We look forward to further developments in this field and we look forward, as well, to the promised amendments to the Corporations and Labour Unions Returns Act which will exempt further firms having to report under that law. But this is barely scratching the surface. Each time the minister opens his mouth, on the other side he develops a bureaucratic maze with which small business must try to cope.

The government does not realize that whenever it introduces a piece of legislation dealing with business it places an unfair burden on smaller firms which very often have no relation to what is happening. I will give one example. Quotas are undoubtedly needed to assist the textile industry in Canada. But in introducing the measures it did, the government gave no thought to the little corner store which, for instance, was marketing Mexican novelty goods and was in no way trying to compete against the large textile manufacturers. Operations such as these are the ones which suffer from the kind of legislation to which I have referred. Their owners go bankrupt and employment is lost. This is happening on a daily basis. There are more bankruptcies taking place today in Canada in small business than ever before in our history. All of this indicates that the government does not care, does not understand, or does not want to care about implementing specific programs for large industry or planning specific programs for small business.

• (1530)

The minister himself cannot be blamed personally for attempting to deal with this issue.

Mr. Paproski: Yes, he can.

Mr. Jelinek: For example, prior to the last budget he advocated the removal of capital gains tax on transfers of a business from one family member to another. He recommended that suggestion publicly and he said he would discuss it with the Minister of Finance (Mr. Macdonald) in order to have it included in the budget, but nothing materialized. The government is either not taking this cabinet minister seriously or, more probably, the government has not committed itself to dealing with the problems and the potential solutions of the small businessman by initiating and developing an over-all small business policy.

Mr. Hnatyshyn: It is window dressing.

Mr. Jelinek: It is window dressing, because no action has occurred since the Minister of State for Small Business has taken his new position.

Mr. Paproski: He took a trip to Russia.

Mr. Jelinek: As my hon. friend says, he took a trip to Russia. Can you imagine that—the Minister of State for Small Business in a democracy where free enterprise is supposed to be alive, goes to Russia to study capitalism and to study the free market system?

Mr. Poulin: He accompanied thousands of small businessmen.

Mr. Paproski: Monique and Hughie should have gone with him.

Mr. Jelinek: I would like to point out that he was not at the small business symposium in Washington, D.C. I did not see him there. All of the industrialized nations had representatives there. He was not in Tokyo where I met with the small and medium size enterprise agencies. He was not in West Germany where I met with the small business administration.

Mr. Hnatyshyn: He was probably in East Germany.

Mr. Jelinek: The minister said that he travelled across the country and talked to small businessmen during his travels. I give him credit for that. I think he followed in my footsteps, because it was three or four months after I made my national tour that the small minister made his tour.

An hon. Member: That is a Freudian slip.

Mr. Jelinek: One does not have to do that in Canada because the concerns, problems, and potential solutions of the small businessmen are the same in Ottawa as they are in Vancouver or Halifax.

Mr. Hnatyshyn: Or Vegreville.

Mr. Paproski: Or London, Ontario.

Mr. Jelinek: Or Edmonton Centre. That is one of the unifying forces small businessmen have. All these concerns, problems, and solutions are the same right across the country.

I am sure I do not have to remind hon. members of the importance of small business to our economy. Without a small business policy and a government commitment, by way of a small business act, this importance is being slowly but surely eroded and is perhaps damaging the free market system for good.

I would like to take this opportunity to quote from a report by the Select Committee on Small Business in the United States Congress. I keep referring to the United States because I feel this is one area of our economy where we can learn from something which has been successful, and we can learn from something which has existed for the last 30 years. It is unfortunate, but the government does not seem to want to learn. I would like to quote from page XI of the Permanent Select Committee on Small Business of the House of Representatives of the United States, which reads as follows:

Importance and Place of Small Business in U.S. Economy.

The contributions of small business to the American economy and society are many and the following points merit special attention:

1. The existence of a large number of small, independent businesses helps to preserve competition, thus ensuring increased efficiency and high quality and reasonable prices for consumers.
2. A large number of small independent businesses decreases the likelihood of excessive economic and political control.
3. Small business offers an opportunity for the expression and growth of personal initiative and individual judgment.
4. Small business is frequently the source of new products and new methods.
5. Small business constitutes a large and diversified source of employment opportunities.
6. Certain services essential to the economy can be performed best by small business.

I wanted to quote from this report just to emphasize the importance of small business within our economic way of life. We have been calling for a government small business policy for years. We have been calling for the government to commit itself for the betterment of the small business sector for years. We have been calling for positive and specific programs, and none have been forthcoming. We have recommended in detail, on a number of occasions, specific proposals for the betterment of the small business community. Mr. Speaker, all of this was to no avail. Instead of acting positively in this regard, the government has ignored the needs of the small business sector. It has refused to implement a small business policy, let alone consider introducing a small business act. The resulting factors can be judged by the shape of our economy as a whole, which goes hand in hand with the deplorable level of unemployment in this country.

The time has come for specific and positive action. Therefore I am calling on the government through this motion today, as emphatically as I can, to introduce a small business act which would fall within the confines of a small business secretariat responsible for initiating and consequently updating, on a regular basis, a specific small business policy dedicated to the betterment and well-being of small and medium size enterprises in Canada.

The motion today records the failure of the government to present or even consider such a small business act. Mr. Speaker, I advocate such an act. After just speaking previously of the weight of government intervention upon small business, it may now seem strange to ask for what appears to be more regulation of small business through legislation; but the two goals are not inconsistent and are not contradictory. They are complementary, because one of the major goals of a small business act would be to remove, as far as possible, the weight of government upon small business and to assist small business in coping with government. I will make some more detailed suggestions in a moment.

First and foremost there must be a definition of what a small business is. If government is to prepare and implement any coherent program for small business, then it must first know, with some exactitude, what a small business is. The government talks about small business but does not know what small business is, because it does not have any government policy with respect to a definition. That does not seem very difficult, but so far the government has not come up with a definition that makes any sense to a small businessman.

The government definition of small business is based on size, the total assets of the firm or its gross sales in a year. Conceptually this definition is inadequate because it fails to capture the most important feature of a small firm—that the owner of it is the manager and that the manager of the firm has a deep personal stake in its future. The inadequacy of the definition, in its practical application, is easy to illustrate. Let me take one definition of small business which is based on size. That is contained within the Small Businesses Loans Act as it is proposed to be amended by Bill C-48. In that legislation a small business enterprise is defined as one which has an estimated gross revenue of $1.5 million in a year. According to this legislation, a small business is a firm having less than $1.5 million in sales.

Let us apply that definition to a few firms in Canada. I am not suggesting any of these firms which I will mention have applied for a small business loan or do not fall under the definition of this act specifically. Consider a company called Nordex Explosives Ltd., based in Montreal. Their sales in 1975 were $433,000. This company is safely under the small business sales limit of $1.5 million. Is this company in fact a small business? I would argue that it is not, and I think the major shareholder of the company, which happens to be the Dow Chemical Investment and Finance Corporation of Michigan, would be rather surprised to hear that a company they control is considered to be a small business by this Liberal administration. Dow Chemical's gross revenue exceeded $5.6 billion in 1976; it is twenty-fifth on the list of the top 500 U.S. corporations compiled by *Fortune* magazine.

• (1540)

I have a great number of other such examples where the government defines a so-called Canadian company within its own definition under the Small Businesses Loans Act, a company which is in fact held by multinationals from abroad or in Canada. The list is long. It is sufficient to show that the definition of a small or medium size business based on size alone does not always describe the most important feature of a small business, namely, that it is owner-managed.

Therefore the first thing our small business act must do is to define small business as an enterprise that is owner-managed. That is the main component of the United States small business act definition, and it seems to be workable. One may then want to apply a size limit to the companies identified by the owner-managed definition so that large owner-managed operations, such as Eaton's of Canada, are excluded, or to be more flexible one may choose to qualify the owner-managed definition with the requirement that the firm not be dominant in its field of operations or its market. The degree of dominance may seem to be a vague criterion, but it is one which in effect will be used in the proposed revisions of the Combines Investigation Act, Bill C-42. The precise qualifiers used are not as important as the main feature of the definition, that the enterprise be owner-managed.

Having made the definition workable in my view, as it has certainly been workable in the United States for some time, let us look briefly at the proposed act. The small business act would create a small business secretariat which would function independently of its parent, the Department of Industry, Trade and Commerce. Currently the small business responsibilities of the department are treated like a blemish on its plans for large scale operations, big plants, huge capital costs, and large scale exports. The concerns of small business are both different in quality and quantity from those of big business, so different, I would argue, that a small business secretariat could never be comfortable under the suffocating umbrella of the Department of Industry, Trade and Commerce. The secretariat's job would be to help small business cope with government and compete with big business.

I am not proposing government intervention in the affairs of small business, far from it. What I am proposing is a mechanism through which the weight of big government can be removed from the shoulders of small business.

The secretariat would have an advocacy role. By this I mean the secretariat would put forward the interests of small business to other government departments and agencies. I mentioned how many departments and agencies there are that touch on small business interests, or rather I would say that do not touch on small business interests because there is no department that is reorganized—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Jelinek: Mr. Speaker, I thank hon. members for allowing me to conclude my remarks. I shall try to be brief.

For example, when Statistics Canada is preparing yet another statistical form which requires a lawyer or an accountant to fill it out, the secretariat would try to force StatsCan to exempt small businesses from being required to complete it or, at the very least, would try to have the form simplified and streamlined. Another thing the secretariat might do is to make representations to the Department of Finance to try to prevent the implementation of budget proposals harmful to small business. This happens quite often without the knowledge of the top department that the legislation that is being proposed for the big multinational corporations is in fact harming small businessmen. I touched on that previously.

The secretariat also could make representations to the Metric Commission to ensure that conversion costs are not an undue burden on small business, or to the Export Development Corporation to ensure that small business gets a fair share of EDC financing and insurance contracts. The secretariat could make representations to any other department the actions of which affect the small firms sector. I could go on and on, but this will not work in Canada until such a policy is brought in under an act which would commit the government to deal specifically with the interests of small businesses rather than

dealing with small businesses in a roundabout way through the various departments.

It has been proposed in Bill C-42, for example, that there be a competition advocate, so really I am not setting a precedent in recommending an advocate because the government itself has recommended an advocate under Bill C-42. The job of such a person would be to make representations to federal departments, agencies, and corporations whose actions affect competition in the market place. This is exactly what I am proposing for the benefit of the small businessman. All I am asking for is a small business advocate who may find it necessary, as part of his duties, to make representations to the competition board.

The secretariat will assist small business in forming export consortia. Such assistance will not only include the maintenance of files on businesses willing to form consortia, but will also include assistance in sales programs abroad. The secretariat will advocate, and perhaps institute in co-operation with other departments, a program whereby a certain portion of government purchased goods and services is supplied by small business—the set-aside program as it is called in the United States, to which I referred in my previous private member's motion in the House a month or two ago.

The small business act would transfer the administration of the educational function of the Federal Business Development Bank to the secretariat. The improvement of managerial skills is not something that is only needed when a small businessman needs to borrow money. It is a continuing need and should be a service available cheaply from the secretariat.

The small business act should amend other legislation. For example, it would be made perfectly clear that small business would be exempted from the sections of the new Competition Act dealing with specialization agreements, export specialization and mergers. Small business would be free from these rules and thus free from the fear of expensive and time consuming experiences before the competition board. Small business would not, of course, be exempted from the provisions dealing with misleading advertising or other unethical trade practices. In general, the small business act would exempt small business from regulatory statutes wherever consistent with other national goals. Small business has enough problems without bearing the weight of government.

Because time limitation will not permit me to deal with taxation proposals in this regard I will not speak about them at this time, but I hope that some of my colleagues will have an opportunity to touch on this subject. Let it not be said that we seldom make specific proposals and recommendations. I have been hinting at the need for a small business policy or act for some time, but the government obviously has not been interested in assisting the small business community. I had hoped that when the Minister of State for Small Business was appointed nearly a year ago, some action would be taken by the government, and some commitment made to deal with the problems of small businessmen, to come up with solutions. This has not happened.

On a number of occasions this year I put on the record some general proposals in this regard. For example, on March 28 of this year, as reported at page 4395 of *Hansard*, I said, and I quote:

● (1550)

Instead of the ad hoc, band-aid approach this government has taken in respect of small business, as indeed it has on a great number of other issues, a definite small business policy, or better still a small business act along the lines of that existing in the United States, Japan and elsewhere, must be established at the earliest possible date in order to replace the existing air of confusion, with potentially long-range programs.

I have made these recommendations on a number of other occasions both before and after March 28. Support for such action is not promoted simply by the Progressive Conservative Party. As a matter of fact I believe such action would be welcomed by a majority of Canadians. In fact the most effective voice of the small business community today, the Canadian Federation of Independent Business, utilizes the front page of its latest issue of *Mandate* to promote and thereby endorse our recommendation for a Canadian small business act.

I wish to quote briefly from the May issue of *Mandate*.

Mr. Dionne (Northumberland-Miramichi): Do you realize that you are on overtime?

Mr. Jelinek: I will be very brief in closing, if the hon. member will bear with me. I thank him for his indulgence.

Mr. Hnatyshyn: Otto is the mover of the motion.

Some hon. Members: Oh, oh!

Mr. Jelinek: Mr. Speaker, I will be brief.

The Acting Speaker (Mr. Turner): Order, please. The hon. member for High Park-Humber Valley (Mr. Jelinek) has the floor for the purpose of making his speech.

Some hon. Members: Hear, hear!

Mr. Jelinek: Before I conclude I want to refer to another quotation to show hon. members that this proposal for a small business act is widely accepted. I am glad to see the Minister of National Health and Welfare back in the Chamber. He is the minister who at one time did not know whether a new ministry should be formed. I remember very distinctly when not too long ago the minister supported the appointment of the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo), but a year or 18 months ago when I made that recommendation he said it would be impossible, and he jokingly said there would have to be a minister of ballooning, a minister of pole vaulting, a minister of horse racing, and so forth. Yet a few months later the minister supported the appointment of the Minister of State (Fitness and Amateur Sport), so I am not quite sure what his stand is, and I am not sure he is sure of his stand as to secretariats, ministries, portfolios, and what have you on his side of the House.

The quotation to which I would like to refer came after we made these recommendations publicly in this House and outside this House. It reads as follows:

> In the United States, a national small business program has existed for almost three decades. Because of the Small Business Act, one third of federal spending for goods and services goes to small business. Since the United States has a program to benefit small business, it can hardly object to a similar Canadian program. Imagine what a larger small business sector would mean to Canada: more jobs, less need to import, retention of profits in Canada, and accumulation of valuable technological know-how. There's really no question. Canada must pass legislation committing the federal government to building domestic enterprises using the same wording and definitions as the U.S. Small Business Act. It seems to us that it's time Canada adopted something from the U.S. that makes sense for a change.

It went on to say, "The point is simple. We need a small business act now". We can see that the Canadian Federation of Small Business supports our recommendation.

In closing I would like to repeat what I have said often in this Chamber, something which I believe is imperative if our democratic way of life is to survive. If we want the small business firm sector to survive within our society, as I am sure we all do, then immediate action must be taken by the federal government. The small business community is what the free enterprise system is all about. It is what this country is built on and what this country can prosper by. Other countries which presently are more fortunate than Canada with respect to unemployment, inflation, productivity, and other areas by which the standard of success is judged, have all concentrated their economic energies toward their small firms sector within their industrial way of life.

My concern is so genuine regarding the problems of small business and freedom of enterprise that I hope the seriousness of these problems can be dealt with on a non-partisan basis. We cannot wait any longer, the small business community cannot wait any longer, and Canadians cannot wait any longer for the government to move in a positive direction in this regard. I hope hon. members will realize the seriousness of the situation and consider some of the proposals which we are outlining today. Opportunities still exist in Canada, but they are diminishing very quickly. Let us not lose them completely.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I listened with fascination to the remarks of the hon. member for High Park-Humber Valley (Mr. Jelinek) concerning small business because, in my opinion, we cannot have capitalism and free enterprise as we have it today without having monopoly corporations, chain stores, and the largeness of industry which is supported by both the Liberals in Ottawa and the Conservatives in Ontario, without the elimination of small businessmen. I was fascinated because in the last few months I have been listening to the representatives of the Conservative Party in Ottawa talking about the need of additional funds for business. What they are talking about is big business. They are talking about the seven sisters in the oil company field. The Conservatives want to give them more money, and say they can develop because they are the only ones which produce jobs.

It is a fact that capitalism is no longer a free, competitive enterprise in Canada. The small businessman is affected by monopoly capitalism. It seems to me that while smallness is not necessarily beautiful, bigness is obscene.

I agree that this country was built by small businessmen, but they were competitive. They did not believe in monopoly capitalism. In my opinion the Federation of Independent Business is totally misdirected. I would have been more sympathetic to the hon. member for High Park-Humber Valley if he had not cited the Federation of Independent Business to buttress his remarks. This federation has spoken in *Mandate* about every free enterprise exercise which has taken place for a long time, but in my opinion it is not in the least sympathetic to the small management operated business.

The Conservative Party here in Ottawa and in Ontario have recently been talking about the needs of the consumer and damning agriculture for its adherence to marketing legislation. Farmers are small, independent businessmen who have to get together to sell their products, but this is being attacked as being a very detrimental tool as far as the consumer is concerned.

The expression "free free enterprise" has been used. This seems to work for very large companies but never for the small ones. Let us consider an example. I am in total agreement with the remarks of the hon. member with regard to this country having been built by free enterprise. The businessman got an idea, he worked hard to sell it, he supplied a product, and in this way had people buying his "better mouse trap". That is not true anymore. Today if a businessman gets a good idea, somebody buys it and may use it to the advantage of the country or to the advantage of industry. On the other hand they may just shelve it because they already have a similar product, and so they eliminate the competition.

● (1600)

It is my opinion that free enterprise was intitially competitive enterprise. I should like to ask the hon. member for High Park-Humber Valley what competitive enterprise he sees in the remarks made by the Federation of Independent Business? They no longer believe in competition; what they believe in is big conglomerates, with complete control. This control filters down to the small businessman. A little grocery store may order five or six cases of coke, and because of their low overhead, be able to sell it at less than other stores. This is fine. But they will find it impossible to get a second shipment of coke. If they do not sell at the right price the first time there will be no more deliveries of coke, Kraft products, or any other major commodities. That means there really is no competition.

What happens, say, to a small trucker in Ontario who finally can afford two or three trucks? He immediately finds that he comes under the control of the provincial government which will make it very difficult for him to expand. No protection is provided to the small free enterpriser to allow him to grow. He is regulated so that the competition factor limits his ability to expand because of government intervention.

Mr. Ellis: That is a lot of nonsense.

Mr. Peters: The hon. member says that is nonsense. There was a trucker in northern Ontario recently who had a small business. The government intervened and created a new class "A" licence. With the exception of the provincial government there have been no newly created class "A" PCV licences in my part of the country for the last eight or nine years. The recent one was a political move, and it may or may not be successful.

Small businessmen are the basis of our nation and they should be able to compete. In many cases they can only compete if they form a relationship with their neighbours. This is true in agriculture and in many other endeavours as well. It seems to me that governments are not very friendly to the relatively small businessman. It is much easier to deal with large gasoline companies than it is with the local service station, for instance. It is very easy to make arrangements on a provincial or federal basis with the seven sisters of the oil companies, but very difficult to make arrangements with the individual gasoline pump operator. So we see a diversity of prices across areas, that are quite often arranged prices. This happened in my area, particularly in Timmins which falls in a different zone than the rest of northern Ontario and has a different price base. It is not that the dealer has raised his price beyond what his overhead requires; it is that the price he pays for his product is different from what his neighbour pays in another zone in the same area.

The small businessman always gets it in the neck. Those who are considered small businessmen in agriculture are now faced with as much red tape as would be involved in running a major corporation. When they hire help they have unemployment insurance red tape, compensation red tape, income tax red tape and all the other forms of red tape, but there is no assistance available from the government. That is why many members of parliament get involved with the small business in their area; people are unable to cope.

In my area a number of people began to hire two or three employees but they found so much difficulty with the red tape that they got out of business. In New Liskeard two or three people got together and set up a small business—some were in the appliance business, some in television and radio—and together they hired one employee. They might as well have hired 100, Mr. Speaker. They were immediately involved with income tax, filling out forms, and shortly afterwards they dissolved the partnership because it just was not worth while. They are operating individually again, but they wanted to build a business that would have been an asset to the community and would have been advantageous to them because they had intended to share many facilities that are expensive to maintain individually.

Then there was a carpenter who decided to hire three or four people and build houses. The results were disastrous, not in terms of the buildings but because of the paperwork.

Any government that is really interested in helping small business—and I suggest the Conservatives in Ontario are not, and neither are the federal Liberals—should establish a bureau which would supply assistance in coping with red tape. As I have shown, when a small business wants to hire extra employees it would need the assistance of tax advisers and accountants.

I would say that small business should not go beyond the owner-manager category. It should be a stage between the private employer or contractor who is self-employed and the firm that goes into contracting and hires employees. Whatever bureau is established provincially or federally should be geared toward eliminating red tape. In every area of Canada it is essential to have an owner-managed grocery store or a hardware store operated by a local family. Our butchers must be allowed to run small or independent meat markets.

• (1610)

Our small businessmen are essential for the life of our communities. They are part of our way of life. It is no good paying lip service to small business; we must be prepared to help it. We should establish in the appropriate ministry a bureau which could help small business in exactly the same way as other government agencies help big business. If we are not willing to do it, we had better stop paying lip service to our free enterprise system.

To me, free enterprise means competitive enterprise. It means the world beating a path to the door of the man who builds a better mouse trap. I say this country's two major parties have not supported the builder of the better mouse trap for a long time. They have supported monopoly capitalism, have given concessions to large corporations, even in agriculture, where large business has secured monopoly control through vertical integration, and paid lip service only to the ability of the individual, of the small businessman, to compete effectively in the market place.

The small businessman thinks that he can compete only if he joins some larger organization which would allow him entry to the market place. With whom is the small businessman competing? A small businessman can go into the hardware business reasonably easily, but will find it difficult to stay afloat, if one of the large chain hardware stores opens business across the street. The large store can offer loss leaders, buy supplies in carload lots cheaply, and offer retail prices below those the small businessman must pay his supplier for the same goods.

I believe in the free, competitive enterprise system, but do not believe the Federation of Independent Business serves free enterprise. It serves big business or monopoly capitalism which allows no competition or squeezes or eliminates from the market any existing competition. When competition is eliminated we all become the victims. When most of us think of free enterprise, we think of competition.

I am sure most members of the House are aware of the problems besetting small business. I am sure lawyers, accountants, and others who deal with small business are aware of many problems our small businessmen must surmount in order to survive. Mr. Speaker, our small businessmen are important to our country. They are part of our way of life and we must support them. We must make sure our small businesses loans legislation works effectively.

If the newly appointed minister responsible for small business does his job properly and helps small businesses survive, perhaps small business will be given the sort of help the Department of Industry, Trade and Commerce and other agencies of government have given big business in the last few years. At present if a small businessman cannot borrow money from the bank under the small businesses loans legislation, he cannot borrow it anywhere. That is not good enough. I suggest we should involve the Federal Industrial Development Bank. At present I believe it is involved with those in medium-size enterprises.

Small businesses are labour intensive, community oriented, and make life for people in rural Canada and small communities more tolerable. Frankly I am surprised at the number of small businessmen who have joined the Canadian Federation of Independent Business, for as I see it the federation represents big business. It interests me to read reports published by the federation and compare the size of some of its member organizations. On the one hand you may have a plant employing up to 500, and on the other a small business with two or three employees. I often wonder why small businessmen think they are in the same category as the large corporation and why their sympathies are not with the independent people in their areas who support them.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, we are dealing today with a motion concerning assistance to small business. I am pleased that such a motion has been tabled in the House and I congratulate the Progressive Conservative Party for having instigated that debate today. Someone said a while ago that it was small business which first took part in the birth, as it were, of the regions but in my opinion, it is the middle term between the state corporation and the great monopolies which I define as state capitalism and private capitalism.

● (1620)

It is not enough to establish a department for trying to protect small businesses. In fact this department has been in existence for one year and we have not heard of anything yet. In the past before this department was established, we tried our luck with the Minister of Regional Economic Expansion (Mr. Lessard) who was doing his best, I want to believe, trying to offer some help to small businesses, but I think too much emphasis was laid on helping large businesses.

Specially in our region we realize millions were given to large businesses, whether for research or for launching some large industries. Well, millions were sunk in large businesses, and small businesses were completely forgotten, to such a degree that I myself often worked with some people in my riding trying to gain acceptance for small businesses which would have been very profitable in a given town or sector, but we never could meet the blessed criteria specified by technocrats. And I believe it is at this stage that it is difficult for a small business to survive among the monopolies I mentioned a while ago. Today, of course, we are living in an era of monopolies and someone who has been in business for about forty years as I have has to realize that approximately 80 per cent of all businesses which were very viable forty years ago have been swallowed up by big monopolies.

For instance, about fifteen bakeries were in operation in my area some thirty years ago and they were all doing good business. Today there is only one bakery which is almost a multinational so that we must drive 125 miles to get bread. This whole bakery monopoly has paid the high price to get all those local bakeries closed and, after paying this high price, everybody said that if there were a larger market the retail price would improve. But the monopoly sets retail prices so no wonder everything is increasing, no wonder we have run-away price inflation. The main reason is monopoly control which is exercised in both industrial and commercial fields, as well as in the service area. Today, we even have all kinds of monopolies. The employment monopoly will be a reality within a few years, I believe, and we shall continue to live through this war of monopolies. The government must move immediately in an attempt to revive private enterprise which acts as a kind of screen to protect the consumer against these big monopolies which can overnight indicate the price they will impose on the consumer.

I think it is the duty of governments, not only the federal government but every government, to help small business not only through the creation of a ministry but also by passing legislation that will protect and encourage the small business sector. Some time earlier we mentioned small business loans. Those loans are not interesting for small business because of their high interest rate. For instance, the Industrial Development Bank, the Federal Business Development Bank is there to help enterprise.

But I have realized that this bank was there to help small business to die. We know that this bank helps small businesses only when they have been refused a loan by all other banks, all other loan institutions. When they must go to the Federal Business Development Bank they have to pay prohibitive interest rates when this bank, if it really exists to help small business, should ask only 50 per cent of the current interest rate. We might say that it would help small business but precisely because that small business, and I might give you some concrete examples, has been refused a loan by all other banks and loan institutions its credit gets a poor rating. It is the same for a business as for an individual. Today, someone who has a bad credit rating is going to pay 2, 3 or even 4 per cent more than someone with a good credit rating. That is sheer nonsense! Because an individual has more difficulty to pay than his neighbour he will be charged double interest. He has difficulties to earn his living, he has a small salary and this is because of our legislation, Mr. Speaker. He is charged 4 or 5 per cent more than the borrower with a regular job because his credit is bad.

● (1630)

If we really had legislation to protect consumers, we should charge the family head, that worker with a small income, 4 or 5 per cent less than those who can pay. It would be logical.

And to show you how we can live in illogically thinking we are in the best of worlds, that is in the legislation and regulations concerning financing plans, loan institutions and banks. It is the same for small industry: because it cannot benefit from large financing programs to obtain discounts, it has to pay 2, 3 or 4 per cent more than the medium-size industry which finds it easier to face those disbursements. This is why, Mr. Speaker, I am pleased we are discussing this matter today.

Indeed, I have before me a brief submitted to the Standing Committee on Miscellaneous Estimates by the Canadian Federation of Independent Business, in which it is stated:

> In submitting these representations, our aim is to refute any concept that small industries are less important or productive.

Small industry is praised for being the biggest employer, but the way things are now going, very soon it will no longer be so because it will be left to die. The brief goes on to say:

> In view of the fact that small and medium factories account for 80 per cent of Canadian secondary industry, there is no doubt that this sector deserves serious consideration. In the context . . .

—because the brief was submitted to the committee that is scrutinizing Bill C-26 to give technical or other help to Canadian industries—

> In the context of Bill C-26, the apparent theme is that universities alone are capable of creative theoretical research.

And as far as small industries are concerned, big corporations are given millions and millions of dollars for research. But often a fraction only is spent on actual research, and the government is not in a poslition to inspect those corporations' books. Small industries on the other hand would need help for research or administration or orientation, they could use a few thousand dollars to modernize, to stay afloat and face competition, but to my knowledge not a penny has been going their way in respect of research. I submit the government is at fault there for not giving small industry at least as much attention as it is giving big industry, because big industry, monopolies can look after themselves. I am still trying to figure out why the government keeps on giving grants for research or environment protection, let us say to forest industries or manufacturing industries that polluted everything. After they did the damage, the taxpayers' dollars are used to clean their mess.

If the government has millions of dollars to give large companies to repair the damage they have done to the environment, it should use this money to help our small industries and our small businesses which have a hard time surviving compared with supermarkets which can dictate their own conditions to the producers. I have often seen potato producers sell to a supermarket for 30 per cent less than the price they would have asked retailers because the supermarkets had the capital required and controlled all the local supply. They simply gave the producer the price they wanted to pay for his products.

That is what is wrong with those large monopolies. The ordinary retailer buys from the producer at the market price and, if you figure it out, he often still sells at a lower price than the supermarket because he does not have to pay all the publicity and the additional salaries that the supermarket must pay to promote its products and pay for its packaging. Consumers should go around the small, well-organized grocery stores or well organized butcher shops. People are talking nowadays, especially in Quebec, about closing the small slaughterhouses. I for one believe that those small slaughterhouses should have a "Canada Approved" federal license and should stay open. I have been buying meat from a small slaughterhouse for 30 years. That is where you can find the meat and the quality you want, because you cannot find it in a supermarket and even less in regional slaughterhouses where you do not know what is going on or what kind of meat you are buying.

When there was all that talk about tainted meat, it was not in the small slaughterhouses that this meat was found, Mr. Speaker, but in the large ones. Today, because of the influence of these large monopoly slaughterhouses, the small slaughterhouses, that have always respected the life of the consumer, may finally disappear. Mr. Speaker, I am quite pleased that this problem should be discussed today and I hope the government will soon introduce legislation, not legislation to give strict directives to small businesses but legislation to protect them against those big monopolies, and I hope that legislation will be introduced by the next government as soon as possible.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. Before I recognize the minister, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vegreville (Mr. Mazankowski)—Airports—Mirabel and Dorval—Reason revenue was not received from Host Rent-a-Car; the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn)—Atomic Energy of Canada Limited—Statement concerning establisment of plant to produce plutonium—Government action.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NEEDS OF SMALL BUSINESS

The House resumed consideration of the motion of Mr. Jelinek:

That in the judgment of this House the government has failed to respond effectively to the needs of the small business sector, has made negligible progress toward the implementation of a small business policy, has neglected to introduce a Small Business Act, and has not freed the productive potential of small business to create jobs for Canadians.

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, it was with great surprise that my colleagues on this side read the motion put forward today condemning the government in relation to what is taking place in a particularly healthy sector of the Canadian economy, namely, small business.

Hon. members opposite could have chosen to debate great issues. They could have spoken about ways in which to create more employment, or addressed themselves to the question of the incentives which ought to be left in the private sector to help the unemployment situation and fight inflation. Instead, they surprisingly choose to speak about the eventual creation of a small business act which I cannot let my colleague who just spoke before me believe will take place, since it is not necessary.

[*Translation*]

My colleague the Minister of State (Small Business) (Mr. Marchand) was appointed eight months ago. He has since travelled across Canada, meeting systematically and with a great deal of seriousness and concern representatives of small and medium-size businesses of the world. I personally joined him on several of those meetings in Ottawa when official groups representing those businesses were down here voicing problems covering all the difficulties small and medium-size Canadian businesses can be faced with and which, surprisingly, can include matters as varied and as absent from the speeches of those who spoke before me as the problem of inequities in the tax law which for the moment does not allow partners in small unincorporated businesses—usually the wife—to receive a salary from her husband. I am making efforts with the help of my colleagues to correct that situation. I would have liked indeed to hear the opinion of the opposition on this obvious anomaly.

● (1640)

[*English*]

A foremost concern of the government, and of my colleague, the Hon. Len Marchand, who has had a death in his family and could not be present today—

Mr. Baker (Grenville-Carleton): Order, please. The hon. minister should refer to the Minister of State for Small Business (Mr. Marchand).

Miss Bégin: —was to seek out from the small business community the real facts on what the small businessman and woman need and do not need from government.

Mr. Jelinek: I would like to know about that.

Miss Bégin: Your speech was particularly boring. Nobody said a word during your speech. We listened patiently for an hour. Maybe you can extend that courtesy to me.

Mr. Jelinek: My speech was over your head.

Miss Bégin: I have explained to the hon. gentlemen and women in the House that I will do my best to be the voice of my colleague, the Minister of State for Small Business (Mr. Marchand), who is unable to be here this afternoon. Thanks to him and to groups in the country representing small business, I am becoming more and more familiar with their problems. I often consider I am the minister of paperwork. I have decided to do my utmost to cut that down.

Some hon. Members: Hear, hear!

Miss Bégin: Maybe I should have spoken in English so that the hon. gentleman opposite would have understood better. I am committed to trying to correct the inequity of the tax act, which does not permit a partner in a small unincorporated business to receive a salary from the other partner, which usually means the wife from her husband. I would have liked to hear his views on it, if he had any. He may take another day, or even take the trouble of writing me a letter. I would really appreciate his views, if he has good views, which would mean my views.

Some hon. Members: Oh, oh!

Miss Bégin: I would like to hear the comments of his colleagues as well. I doubt whether they could oppose such a sound correction of an inequity in a law passed a long time ago by this parliament. The opposition talks of the creation of a small business act, and other opposition members have spoken about the creation of a separate department. Although I am not a specialist on structures, I know added bureaucracy usually does not help the people for whom it was intended. Therefore I do not think the views of my colleague are directed toward the creation of a separate department, for added man-years are not going to solve the real problems faced by the small business community in this country.

Just before being interrupted, I was saying consultations have taken place from St. John's to Victoria between my colleague and representatives of small or medium-size business all over Canada. As a result, the policy of the federal government toward small business is being created, not just in Ottawa but in meeting rooms where small business people sit down together with federal ministers and officials to come to grips with the real issues.

In social as well as economic terms, small business is too important not to get a fair share and a fair shake from government. In the Speech from the Throne last September small business was described as the backbone of the economy. Small business is in many ways the backbone of our society and a key part of the very fabric of the Canadian way of life.

We have a history as a frontier nation. In the days when this country was rising from its colonial status to achieve independence, we were a people possessed of the spirit of individual enterprise and accomplishment. That spirit, which is the foundation of our country, is exemplified today by the independent entrepreneur, the man or woman with a dream and the will to

realize that dream in the face of any obstacle. We honour that spirit. It is the aim of this government to see that it flourishes and prospers. The small business operator must be allowed to exercise his spirit of free enterprise to increase production and provide employment.

The government has taken some immediate steps since the Speech from the Throne to benefit the small operator. The recent budget contained a package of measures directed at encouraging small enterprise. We have begun to cut down the mass of paperwork which federal bureaucracy, in conjunction with provincial administrations, imposes on small business. Hon. members will know that there is a bill currently before the House to extend and increase the provisions of the Small Businesses Loans Act. The incentive and adjustment programs of the Department of Industry, Trade and Commerce have been amalgamated and redesigned to make them more accessible and more useful to the small business community.

The officials of the small business secretariat within the Department of Industry, Trade and Commerce have been accumulating and studying the data on the state of small business in Canada today, in preparation for the over-all policy which my colleague, the Minister of State for Small Business, will be presenting to the government in draft form this summer. It is too early to state now what the elements of that policy will be. But I would like in these remarks to outline some of the basic directions in which our research into the small business community's present status has led.

First, however, Mr. Speaker, I would like to say clearly that the facts show that small business in Canada is not in bad shape, despite what some hon. members on the other side of this House would have us believe. The entrepreneurial spirit is alive and well in Canada, and it is making strides. Anyone who says that it is not is downgrading the ability and enterprise of Canadian small operators. Canada's small businessmen and women are holding their own in comparison with their counterparts in other countries. In our large cities and in our small towns Canadian entrepreneurs are showing that, given the chance, they can make the grade. It is the government's intention to give them that chance.

Some of the past and present initiatives of the federal government have been helpful to small business. The Federal Business Development Bank has made current commitments for $1.5 billion in loans to small and medium-size firms. At an average of $46,000 per loan the FBDB has helped a lot of businesses which would not otherwise have found the financing they needed. Some, but not enough, small Canadian Manufacturers have benefited from innovation and adjustment assistance programs of the Department of Industry, Trade and Commerce. Now that we have amalgamated many of these programs into one enterprise development program, I expect that even more assistance will be available to smaller firms.

The lion's share of assistance under the "alphabet soup" programs, such as PEP, IDAP, and the like, has too often gone to big companies. To give a giant corporation a government grant of $300,000 for innovative research is not the most effective way of using that money. To a company that size, $300,000 is just peanuts. If they contemplate a research project, that contribution from government is not going to be the deciding factor in whether they go ahead or not. From observing the city of St. Leonard in my riding, which has a huge, new industrial park, a grant of $20,000 to a small firm can be the difference between trying something new or killing the project. If we took that $300,000 and broke it up, we could give $20,000 grants to 15 small firms, which could really stimulate some development and some jobs. This is the rationale behind the new enterprise development program: to redirect the assistance to small firms and get the most value out of federal funding for the small business community and for the country as a whole.

● (1650)

The program is to be administered by enterprise development boards in each province. These boards will have decision-making power on projects of up to $200,000 in federal assistance. To make sure that the boards are responsive to local business conditions, and to give them closer ties with the business community, their membership contains strong representation from the private sector, and the chairman of each board is a businessman, not a public servant.

At this point let me just correct one of the assertions of the hon. member who spoke before me who stated that a separate department and special act are needed to protect small businessmen and to give them better representation. This is not so. That would be to ghetto-ise them, and none of us want that. Instead, at the instigation of my colleague, the Minister of State for Small Business, several of us have started to review the composition of the various advisory boards and councils attached to our respective departments, and I for one have already directed my department to include representatives of small businesses on the advisory board counselling the two wings of my own department.

Some hon. Members: Hear, hear!

Miss Bégin: Among other recent measures beneficial to small business are those which the Minister of Finance (Mr. Macdonald) brought down in the budget of March 31. The budget contained a package of measures designed to improve the climate for small business.

We propose changing the tax laws that govern employee stock options. Under the old system the difference between the market price of shares in a company and the price that the employee paid was immediately taxable as income.

This was quite a disincentive for employees to accept stock as part and parcel of an employment agreement. But under the new system in the March 31 budget, the difference between market price and the option price will be taxed as a capital gain—and not until the employee actually sells the shares. This will allow small firms to offer stock as an attraction to first-rate, skilled people they would like to get into their businesses. It will give the smaller firms a better competitive edge in being able to get good management and skilled help of people who might otherwise go for the larger salaries that

bigger companies and government can offer. If the employee has a direct stake in the firm he works for, he is more likely to put out his fullest effort in the interest of the company.

Another feature of the budget which will help small business has to do with the treatment of gains on certain Canadian investments under the Income Tax Act. An investor, when he puts his money into a Canadian firm, will now be able to notify my department, Revenue Canada, that he wants any return on his investment to be treated as a capital gain rather than treating it as straight income.

The investor will be able to exercise this option once in respect of all his investments in certain Canadian securities. This is a lifetime option that, once exercised, is permanent.

This will aid small business by attracting more small, ordinary taxpayers as investors. Having the return on investment taxed as a capital gain rather than as income represents a considerable tax advantage. I think it will encourage a lot of venture capital firms to get behind Canadian small business. Of course this provision is not available to banks, credit unions, dealers in securities, or similar interests.

The tax regulations are also being changed to make it easier for one company to invest in another. The aim of this move is to encourage joint ventures between small firms. They will be able to get together to tackle larger projects which they could not handle on their own.

Another item in the budget which will benefit small business is the tax deferral on the voluntary sale of a firm's assets when they are being sold as part of a relocation. If a small firm closes down its operation in order to relocate in a better area, for example, there would be a deferral of capital gains tax on the sale of the firm's assets if the proceeds were invested somewhere else, in a similar business.

I have often heard small operators complain that they would like to move closer to sources of supply or relocate to take advantage of a better market, but they are held back by the penalty of taxes. These new provisions in the budget will help.

Apart from the items in the budget directly aimed at helping small business, there are some general measures which will indirectly benefit small firms. Retailers, for example, will like the change in tax regulations regarding inventory adjustments. In calculating business income, three per cent of the opening value of qualifying inventories—which means stock on the shelves on January 1—will be an allowable deduction. This benefit is available to unincorporated as well as incorporated businesses.

As well, the 5 per cent investment tax credit is being extended, and increased in slow growth areas. Current and capital expenditures for scientific research and development will be eligible for this credit. Many small Canadian firms are now doing good work in developing new technologies, and we want to encourage them.

Many of the measures contained in the budget respond to concerns expressed by small businesses themselves. They have also expressed other concerns and problems with the federal government.

It is often said, for example, that small business cannot get close to government. It cannot find out what programs exist to benefit the small operator, because there are too few channels of communication. We want to improve communications and get the small entrepreneur into closer touch with assistance he could be getting from the federal government. I am hopeful that the Federal Business Development Bank, which has demonstrated a great deal of flexibility and creativity in its relations with small business, will be able to assume a substantial role in achieving that goal.

A good example of the kind of useful service the FBDB can offer to small business is the CASE program. CASE stands for counselling assistance for small enterprise, and it is basically an effort to provide small business with expert management and financial consulting services at a nominal cost. Many small business operators do their planning and accounting on the back of an envelope. And they make mistakes. They over-extend themselves. Or they leave out some important factors in their calculations. By the time they come to the FBDB or some other agency for help, it is often too late.

The CASE program is aimed at preventing that kind of business tragedy. CASE has a roster of hundreds of retired business people—those who have been through the whole routine and know the ropes. For a nominal amount of $20 per day, these retired business experts will come in and look over an operation and give a full report and advice on how to deal with any problem the business is facing.

These retired business people have an enormous collective expertise and business know-how. They volunteer for CASE because they really just want to stay involved with the business world. They like to keep in touch, and they like not having their accumulated expertise and experience go to waste.

● (1700)

Small business needs more risk financing from the FDBD. The bank therefore has been advised to provide more money in equity and loans to firms willing to take a risk on a good idea. Innovation always entails some element of uncertainty, but that should be no penalty to the small operator who wants to create something new.

Small business people have said that they would like an expansion of the provisions of the Small Businesses Loans Act. That act was passed in 1960 as a means of providing small business with loans from the chartered banks guaranteed by the federal government. Unfortunately, although the intention was good, the program has not worked as well as small business, the banks, and the government hoped it would. Fixed interest rates, often below the bank's prime rate, did not encourage the banks to lend under the act. It was costing them just as much to service these Small Businesses Loans Act accounts, but they were not getting as much return on their money.

Many small business people have said that they were not even aware of the provisions of the Small Businesses Loans Act. Their bankers simply never mentioned the program to

them. I do not think the banks were at fault. Rather, it was the program which was not working.

This very week the Standing Committee on Finance, Trade and Economic Affairs will consider Bill C-48, which was referred to the committee on May 6. The committee will consider this bill, which is to amend the Small Businesses Loans Act and two related statutes governing farm and fisheries guaranteed loans. The amendments reply directly to many of the concerns raised by small business people. They have asked that the eligibility limit be raised from its present ceiling of $1 million in annual sales. We are therefore proposing to raise that limit to $1.5 million.

Small business people have asked that the limit on individual loans be raised from the present $50,000. We are therefore proposing to raise that limit to $75,000. We are also increasing the pool of money available for guarantees to $600 million from $300 million, doubling it.

We want to change the interest rate so that it floats with the banks' prime rate. Interest rates for these loans will be a little higher than prime, which will encourage the banks to start using the provisions of the program. We have discussed this matter with the chartered banks, and they have assured us that once these provisions will go through they will be happy to start making money available to small business under the terms of the act.

The Canadian Federation of Independent Business, chambers of commerce and the Canadian Manufacturers Association have all supported the proposed amendments. Once these changes in the legislation are in place, I think that the financial picture for small business people looking for risk financing should be brighter.

One of the complaints frequently heard from small business people is about the sheer volume of paper work which the small operator has to contend with for the federal government. We have made progress in reducing this volume of government paper work by getting the departments to share more information among themselves and by changing the Corporations and Labour Unions Returns Act. Because of these changes we will be exempting some 350,000 firms from at least one of their present reporting requirements by the end of 1981. We still have a long way to go, but our officials have calculated that the total dollar value to small business of the time saved in filling out these forms will be more than $40 million. Cutting back on paper work in this way, as I stated rather impatiently earlier on this afternoon, is a way to save money. These obsolete forms no longer have to be handled by programmers and clerks, and they do not have to be processed through expensive computers.

These are just some of the things we are doing right away, in advance of the policy paper to be considered by the cabinet this summer.

I should like to outline roughly some of the observations the government has made in studying Canadian small business with a view to shaping a federal policy toward the small entrepreneur. A primary observation is that small business makes an essential contribution to the social and economic health of the country and, of course, of the various regions as well. I would like to point out that 98.6 per cent of all Canadian corporations—all those with assets under $5 million—are small or medium sized businesses. In the service industry, which has been the fastest growing sector of our economy in the past 30 years, small outfits overwhelmingly predominate. In construction, 99.5 per cent of all corporations are small, and together with unincorporated firms—individuals working on their own—they account for a very large share of the profits made.

In terms of employment, 91 per cent of all Canadian firms have 100 employees or fewer. Small business people and their employees account for one half the corporate wage bill in Canada.

Another observation is that social and economic changes in our country and in the rest of the industrialized world are making smaller units of production in the manufacturing sector increasingly more attractive. This process should result in more sub-contracting from larger firms to small companies, or it could mean more decentralization of larger firms.

Earlier this afternoon I was reading a very interesting speech which was made by the Minister of State (Small Business) to the Vancouver Board of Trade on March 21 when he was touring the country and meeting with as many representatives of the small business community as he could. He spoke at length about the decentralization of larger firms. I think he referred to the model which we are borrowing from Japan.

When we observe how the small operator relates to government, we find that existing government efforts to assist him may not suit his style. The entrepreneurial spirit and the kinds of attitudes which predominate in the public service do not always blend together well.

Another observation is that there is room for improvement in the way programs are delivered to the business community from government. All the various programs can be confusing to the businessman, particularly to the small operator who does not have expensive consultants to sort out things for him. I hope we can develop more federal-provincial co-operation in this area.

Whatever these preliminary observations on the state of small business may lead to in terms of the policy paper which will be brought to cabinet, they do tend to show that any government programs specifically intended to assist the small business community should be very decentralized and should have a major degree of participation from the private sector.

Through the forthcoming policy on small business in Canada the government intends to meet its responsibility to the small entrepreneur so that the best of free enterprise will flourish and prosper.

Some hon. Members: Hear, hear!

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened very carefully to the minister, and perhaps it might be

[Miss Bégin.]

a good idea to remind the House of what is contained in the motion brought forward by the hon. member for High Park-Humber Valley (Mr. Jelinek), which I had the honour to second.

It is obvious, judging by the minister's remarks—which I suppose were prepared by the same speech writer who prepared the famous $1,900 speech of the Minister of National Health and Welfare (Mr. Lalonde), and which said just about as much—that she neglected to read the motion. It is obvious that she did not see the order paper because she did not address her remarks to the terms of the motion. At the beginning of her remarks she said she could not understand why we brought forward such a motion; I will read it so that she will understand. The first part of ministerial understanding is to understand what she is talking about.

● (1710)

The motion begins as follows:

That in the judgment of this House the Government has failed to respond effectively to the needs of the small business sector . . .

If the minister goes out into the street and talks to business people she will learn that the government has indeed failed to respond effectively. People are not going to be satisfied with all that ministerial pap we heard just a few moments ago, which was canned somewhere deep in the bureaucracy and regurgitated here in the House of Commons.

The motion continues:

—has made negligible progress toward the implementation of a small business policy . . .

That is what the Canadian Federation of Independent Business has been saying about the government for years—that its policies have not been related to small business which provides 50 per cent of the employment in this country, but have been related to the needs of the large conglomerates and others. The minister would know that if she had read anything published by that organization, because that is the message they have tried to get through to the government. The motion continues:

—has neglected to introduce a Small Business Act . . .

And that is true. The Canadian Federation of Independent Business made representations to the Senate Committee on Foreign Affairs on May 26. I do not think the minister can have read the minutes of that meeting before she made her speech today. They pointed out that a small business act had not been introduced by the government and that it is a very serious omission. Before the minister speaks in this House again on the subject of the needs of small business she should read the testimony of Mr. Bulloch who appeared before that committee and set forth the desires of small businessmen.

The motion ends with the words:

—and has not fed the productive potential of small business to create jobs for Canadians.

That is obvious. Surely the government owes more to parliament and the people of this country, to the one million unemployed, to the Economic Council of Canada who predicted that, to the Canadian Federation of Independent Business, to the Board of Trade and others to which she gave lip service, than to have the minister stand in this House and attempt with nonsense to defend the policies of this government which are indefensible.

The minister talks about the "entrepreneurial spirit" in this country. It is there, Mr. Speaker. But it is there in spite of the government and not because of it. It tends to fight against the movements of the government rather than to work with this government, and the minister knows that. If she does not know it, certainly her colleagues do. Certainly the Canadian Federation of Independent Business knows it and the small businessman knows it; the army of unemployed knows it; the army on welfare knows it and those who rely on short-term government programs for short-term employment know it. They all know that the government has neglected the problems of the nation in the fields which are the subject of the motion. The minister owes this House a lot more than to come forward with that canned pap, that bit of fluff which she tried to pass off as government policy.

Let us examine the efforts the government has made on behalf of small business. The minister mentioned the throne speech, so let us see what several of them have said. On October 8, 1970, there was nothing in the throne speech about small business. On February 17, 1972, there was nothing, but then all of a sudden the government woke up. On January 4, 1973, it said there would be aid to small business with three new initiatives to strengthen management, consulting services, and to improve access to financial facilities. Nothing came of it. On February 27, 1974, the throne speech said that measures would be proposed to aid small business both financially and by providing better consulting services through the creation of a federal business development bank.

The Federal Business Development Bank has been created and the minister gave us the statistics on it. In this House we were promised that the bank would act differently than the Industrial Development Bank but we find it is the same bureaucratic mess. It has not acted like the ordinary banking institution that the then Minister of Industry, Trade and Commerce told the House it would.

On September 30, 1974, in the throne speech the Prime Minister (Mr. Trudeau) promised to increase economic activity and give greater financial and other support to small business. Is anybody over there proud of the economic support and the increase of economic activity in this country? They must be blind if they are, and it is about time someone told them so.

In the last throne speech on October 12, 1976, the Prime Minister said that the government was going to improve local access to financial assistance and other services provided by government departments, the Federal Business Development Bank, and federal institutions to the private sector. That promise is relatively new, but like the others it has not been fulfilled.

What are the problems of small business in Canada? Just last week in its submissions to the Senate committee the Canadian Federation of Independent Business set out its goals

as achieving low inflation, low unemployment, more balanced geographical development, a maximum feasible standard of living, a balance between owner-managed and professionally managed enterprises, and efficient use of resources.

Is anyone opposed to that, Mr. Speaker? If they are not, then the government that has to appear to move in that direction should start supporting those goals. Perhaps the hon. member for Timiskaming (Mr. Peters), who spoke out so violently against the Canadian Federation of Independent Business, ought to consider whether he supports those aims.

The president of the Federation of Independent Business has made a study of the problems perhaps more deeply than the Minister of State (Small Business) (Mr. Marchand), who unfortunately cannot be here because of a personal tragedy in which we all sympathize. As reported in a press interview the Federation president, John F. Bulloch, said that current strategies were oriented toward large firms and that the complex of monetary and fiscal policy, economics of scale, specialization, rationalization, increased productivity, innovation and commercial policy under the existing socio-economic model, lumped small firms and professionally managed enterprises together.

That is one of the problems. Governments have given lip service to the problem just as they gave lip service to multiculturalism in Canada. What did the government do with regard to multiculturalism in Canada? The government made the hon. member for Parkdale (Mr. Haidasz), that distinguished member of this House, minister of state for multiculturalism. The announcement was made with great fanfare. The government was to embark on a new multicultural program and pay attention to our ethnic communities the like of which they had not before experienced. Everybody said what a marvellous thing the government had done. The government accepted those plaudits; but what did it do?

● (1720)

When the political reason for the creation of that new ministry no longer existed, the government put the hon. member for Parkdale among its bank of rejects at the far end of the House and said multiculturalism was now to come under another department. The program was forgotten. And the extent of the government's neglect of multiculturalism was underscored by the appointment of the new Minister of State for Multiculturalism (Mr. Guay (St. Boniface)). What have you got against the multicultural movement in this country?

Miss Bégin: What are you talking about?

Mr. Baker (Grenville-Carleton): I suggest the Minister of National Revenue (Miss Bégin) was not delivering a speech she had written. It was not her speech. She is much too sensitive, sensible, and alert politically to make that kind of speech. I am sure she was not making her own speech. She was regurgitating.

Miss Bégin: I was not regurgitating.

[Mr. Baker (Grenville-Carleton).]

Mr. Baker (Grenville-Carleton): The minister denies she was regurgitating. Be that as it may, the Minister of State for Small Business is in danger, in exactly the same way as the hon. member for Parkdale was in danger. It is now convenient for the government to promote a ministry of state for small business. It is convenient to send a man across the country making speeches. It is convenient for the government to have the minister make his speeches about the strides the government is supposed to be making toward the solution of small business problems. Unfortunately those problems persist. When the need for the ministry of state for small business is over, that ministry will suffer the same fate as befell multiculturalism. It will be swept under the rug, for that is how the government works.

It is important to pay more than lip service to small business. These days, when we are suffering from vicious unemployment, when a generation of Canadians is growing up to rely on welfare and become increasingly disillusioned with our institutions, the government should pay more than lip service to small business. I regret that the minister paid only lip service.

I wish the government would listen to the small businessman. He is hemmed in with forms the number of which has not been reduced significantly. We all know that. The small businessman is hemmed in with discriminatory taxes. The minister talked a few minutes ago about the new tax provision which will allow businesses to be transferred within a family. That is a great innovation, of course, but discriminatory, since it applies only to transfers of business interests in incorporated businesses. I point out that hundreds of thousands of this country's businesses are not incorporated and they, too, should get the benefit of that provision. All is not well with our small businesses.

I say—perhaps because of the nature of my background—that we must promote policies which will help the development of small business, because such policies will help not only the small businessman but the country itself. For how long are we prepared to rely on government to satisfy some of our needs for employment? For how long must we rely on short-term government programs lasting three years or five years, and so on?

Mr. Hnatyshyn: They are but a finger in the dike.

Mr. Baker (Grenville-Carleton): As my colleague says, they are but a finger in the dike, and he is right. How are we to improve our economy and the position of small business unless we strengthen the productive element of the economy? In order to do this we must restrain the growth of the government. That does not mean necessarily that we must fire public servants willy-nilly. It means we must give emphasis to the private sector, must allow it to develop, and must allow it to retain a greater proportion of the gross national product. At present governments take 42 per cent of our GNP, and there is the danger that the proportion may rise to 45 per cent, even 47 per cent. Can we tolerate that, or should we not seek to reduce the percentage of GNP governments take?

We have asked the government to cut federal spending and to pass the savings on to the taxpayer through the tax system. We have asked the government time and again to give emphasis to Canadian investment, but it has only paid lip service, as was evident in the minister's speech. That is the problem. The government has not tackled that difficulty. We have asked for a sales tax cut on building materials and on machinery and equipment used by pseudo-municipal corporations to stimulate development. The government did not listen. We have asked the government to implement a tax credit or rebate scheme which would encourage Canadian industry to invest in research and development. What is happening in this country in research and development is pitiful. We borrow, borrow, borrow from every country in the world. We do not innovate ourselves, as the hon. member for Niagara Falls (Mr. Young) knows. We have asked the government to examine the possibility of introducing long-term fiscal or tax contracts for companies investing in Atlantic Canada, Quebec, or other parts of Canada.

Mr. Caccia: Mr. Speaker, I rise on a point of order. Before the hon. member misleads the House any further, can he mention one case to support his allegation of a moment ago that the federal government is borrowing abroad?

Mr. Hnatyshyn: That is ridiculous. Why don't you listen?

Mr. Baker (Grenville-Carleton): Mr. Speaker, if the hon. member had raised a relevant point of order, I would answer it. I suggest he was busy reading his mail in the House of Commons and not listening properly. If he were to listen perhaps he might learn something, or perhaps not.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): As I said, we asked the government to consider introducing long-term fiscal and tax contracts for companies investing in Atlantic Canada, Quebec and elsewhere. Why, Mr. Speaker? The Canadian Federation of Independent Business people asked the government time and time again to tie the development of small business to the question of regional economic expansion. There are opportunities for this government if it would only advance some ideas apart from the pap ministers mouth on opposition days. They wonder on the one hand why we moved the motion, and tell us on the other of all the problems of small business. If the government would advance some ideas, we would support it. Because it has advanced no ideas, I say it is not fit to govern. It has done little for the small business community, and that community knows it.

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I have listened with interest to the debate this afternoon and cannot help but feel that much said was beside the point. We recognize the contribution small business makes in Canada. In the Federation of Independent Business, in particular Mr. John Bulloch, its chairman, we have an articulate spokesman for this sector of the Canadian community. I had the opportunity of listening to Mr. Bulloch at a Liberal party conference held in Malton not too long ago. He made a very substantial presentation which attracted the undivided attention of those present.

● (1730)

In many ways I can understand the reaction of the hon. member for Timiskaming (Mr. Peters). I regret that he is not in the chamber. That hon. member finds this kind of point of view very disturbing. It runs directly counter to the socialist dogma to which he is committed. From the small business community we hear this kind of talk about productivity. We hear the protest against paperwork. We hear the extreme desire of that group to get freedom to initiate, to conduct research and permit them to do a number of things to expand in a sector which we recognize as increasingly important.

The hon. member who just spoke, my good friend on the other side, thought the ministry of small business was a sham and would disappear. Nothing could be further from the truth. They tell us, depending on how the figures are compiled, that something like two thirds of employment and over half the payroll of this country come from small business, the expansion of the service sector, that part of the economy where people have to rely on their own efforts to produce, earn a living and get the satisfaction out of life for which they are looking. We are all aware of this.

This is an expanding sector. The government is increasingly aware of it. I am sure there will be a major contribution in the period ahead on behalf of small business, because we recognize that if we do not do something for small business in this area, we will go down the path of the United Kingdom economy. We will suffer from the "British disease". There will be a continual erosion of those things that contribute to the increasing standard of living we have come to expect.

Unlike the hon. member, my good friend who just resumed his seat, I noted a number of measures in the budget specifically designed as part of the policy for small business. I listened to the Minister of National Revenue (Miss Bégin) outline some of them, such as the credits that are available, the Federal Business Development Bank program, the expansion of loans, the measures to permit a number of small businesses to be associated in risk ventures without suffering tax penalties.

I would like to speak about one or two other measures which are in the budget. They are of particular interest to myself and some of my friends. The measure to exempt crafts from sales tax is long overdue. I have a hobby which is a matter of a great deal of interest to me. I cut and polish semi-precious stones for my own personal satisfaction. From time to time I have been associated with a very good friend who has much more talent than I will ever possess. She is a silversmith and sculptress. Occasionally when she has a problem with a stone, she comes to me. Sometimes in the periods I have not been a member of this place it has been my pleasure to work with her, trying to choose something to suit her design, purpose and cut.

She continuously complains to me about the very deadening effect of the sales tax on the craft and creativity of a group of

people associated with her. Some years ago they prepared a brief which they presented to the then Minister of Finance. When the Hon. Walter Gordon was Minister of Finance, I went to him with this problem. He said "Lloyd, I am dealing with income tax at the moment. Sales tax is another problem. I am going to get around to that. At the moment I just physically cannot do it."

We are now looking at the administration and application of the sales tax. I was particularly pleased to see this one measure which means a great deal to a group of craftsmen and craftswomen in this country, if I may coin a phrase—I am always a little timid about how I unconsciously use "man" in the language of today. This is one contribution which will assist a number of small merchandisers.

I was particularly happy to see the total exemption proposed for those whose sales do not exceed $10,000 a year. It may be a very small item, but it is an item which exempts craftsmen and women who contribute to our quality of life. They make something in terms of their own standard of living, not usually a very generous standard of living, but the combination of the work they like to do and sufficient reward to encourage them to do it is an object of which we all approve.

I note one other matter in the budget. I can appreciate that members in the opposition did not talk about this. It attempts to do something about inflation. Anyone who has worked in the business sector and made their living from private business knows of the problem of sitting down with the accountants and seeing a profit appear at the end of a year that is not a true profit. It is an inflated profit that comes from the fact that the inventory went up in value as the general level of prices went up.

The government proposes that something like 3 per cent of the opening inventory at the beginning of the year be deductible off the top. That is a first step in recognizing that the profits that many corporations are reporting today are inflated profits. If the hon. member for Timiskaming and any member of his party were in the House, they would be thumping their desks and saying that corporation profits are far too high. They think that profit is almost a bad thing in itself. They want to increase the tax in the way their party has continually advocated.

I submit that the hon. member's party will have to face the problem of small business just like any other party in the House of Commons. This is an area where we are getting new employment, innovation and productivity increase. These are things we should never forget.

I read this motion very carefully. It talks about the failure of the government to respond effectively. I have listened carefully to the speeches that have been made thus far. We have heard about a few things that could be done which will no doubt be considered. However, in terms of a basic policy, philosophy and outline as to what we can do to assist, I submit that the government is certainly doing as much as any other government at any level in Canada.

Some hon. Members: Hear, hear!

[Mr. Francis.]

Mr. Francis: I cannot help but contrast the speeches that have come from the other side with the budget that was brought down by the same party in the province of Ontario not very long ago. Where were the bold, innovative measures? Where was the bold, new striking out on behalf of small business that hon. members say we should be making? Evolution of policy will be a consistent matter. We will listen to the articulate spokesmen which that community fortunately has at its disposal. We will have to listen and innovate. We have just started the policy. However, we have made a reasonable start, a start which I am prepared to defend.

Mr. Peter Elzinga (Pembina): Mr. Speaker, I listened to this debate with a great deal of interest. I commend the hon. member for High Park-Humber Valley (Mr. Jelinek) and our House leader for introducing this motion. It shows an effort on the part of this party to attempt to further the opportunities of the small business sector in Canada.

It is interesting to note that the first debate on small business in the history of Canada took place in the House of Commons on March 28. It was initiated at that time by our critic, the hon. member for High Park-Humber Valley. I want to share with the House the motion moved at that time and what we put forward in the way of positive policy which we felt the government should implement with regard to the small business sector. Our motion, at that time, read as follows:

● (1740)

That in the opinion of this House the government should consider the advisability of implementing programs to assist the development of small business in this country, consisting of such positive initiatives as (a) allowing tax credits for investment in small business, (b) providing assistance in the formation of small business consortia, (c) changing government tender practices so that small business supplies a portion of government-purchased goods and services, (d) reducing the government paperwork burden imposed on small business.

These are areas in which the small business sector have been pushing for many years. It is interesting to note that when the president of the Canadian Association of Small Business appeared before the Senate Committee on Foreign Affairs he stated that Canada's economic future relies on the strength of its small businesses and it was time the government recognized this to be the case. I believe it is evident that the government has failed to do so. The federation's president, Mr. John Bulloch, told the committee that Canada has lagged one or two generations behind the rest of the world in aiding the development of small, owner-operated businesses. On May 26, according to an article in the *Citizen*, he further told the committee:

This country should have the largest small-firm sector in the world because of its geography yet Japan and Europe have far surpassed us. We do not even have a definition of what a small business is.

The article goes on:

Bulloch said developing a small business sector in Canada would mean more jobs, a more competitive economy and less reliance on the United States for imported manufactured goods. He said fostering local small businesses was particularly important in combatting regional disparities.

It is an obligation upon the government of the day to foster a climate which encourages small business. But the present

government has fostered a trend whereby the public sector has been playing a much greater role in our society. The Prime Minister (Mr. Trudeau) made a major mistake recently when he condemned the free enterprise system. The truth of the matter is that the government violated the principles of free enterprise and then blamed the system for its failure. At a time when restraint was required, the government printed more money. When economic restraint was required it bragged about the country's wellbeing and encouraged the good life. Recognition of the time lag between the performance of the U.S. and Canadian economies was not considered. Now we are paying the price for these mistakes and we face high unemployment thanks to the present government, not to the free enterprise system. Today, we need decision and action but we are faced, instead, with indecision and inertia. The government is hoping the American recovery will pull us out of our economic recession—hoping that some of their positive responses will spill over into Canada.

What we look for most is overall policy and economic guidance. All the government can do is talk about economic diversification, but it has no overall program by which this can be achieved. It has not stated its policies and does not know what the economic consequences of its actions may be.

One specific area of failure has to do with DREE grants and similar incentives. Government incentive programs of some kind are a necessity in this day and age but they should be the exception rather than the rule. How often has government provided enormous incentive funds to encourage industries to locate in particular areas, only to find the money wasted? Short term subsidies in many cases encourage economic inefficiency of the kind which arises, for instance, as a result of a lack of reasonable transportation facilities. These factors are not taken into consideration, causing subsidies to be retained on a more or less permanent basis to keep companies in operation. The effect of such government welfare programs is to increase the tax load borne by industries which are viable in themselves, thus further reducing our ability to compete in world markets.

I feel confident that we as Canadians would like to get back to the basics. I do not believe we expect something for nothing; indeed, our history has shown this to be true. What we do want from government is leadership and guidance.

Members over on the other side should have their record exposed every now and then. Consider what they have done. They have given us record inflation, record unemployment, record trade deficits, record budget deficits, record interest rates, record mortgage rates and record high prices. Also, they have contributed to a situation in which Canada is responsible for the highest level of foreign borrowing of any western nation.

So overall, the government has the worst track record in recent history, and all this without considering the revelations which have been made from time to time since I first came here, including the Sky Shops affair, various dredging scandals and so on. The government has driven our country so far into debt it is frightening. Deficit financing is not an acceptable way of stabilizing the economy. In the last nine years the administration opposite has come forward with eight deficit budgets out of nine. I do not understand how any government could feel proud of such a record.

What we are looking for on this side, as has been so well stated by our critic in this House, the hon. member for High Park-Humber Valley (Mr. Jelinek), is a balanced approach to the problems of the small business sector. We should like to hear a set of economic goals; we should like to see a balanced budget without a budget deficit together with a disciplined monetary policy. An overall economic policy is required not only by the small business sector but by all sectors.

The government should consider itself fortunate, also, that the election in Quebec on November 15 turned out the way it did, because now it has an issue which it can grasp. It hopes the national unity debate will overshadow all the other issues which face Canadians today, such as the state of the economy, unemployment, inflation and the subject we are debating today.

The sad part of today's debate is that the majority of the constructive proposals put forward by my hon. friend will once again fall upon deaf ears. The economic record of the government makes many Canadians aware that unless drastic changes take place in overall economic policy we shall not have a country worth saving. As I say, looking at these matters in perspective it is obvious the government have the worst track record of any in recent history. I would hope that this government does not play with the national unity issue to the extent they will regain power, but that they will deal constructively with areas such as small business, unemployment and regional diversity.

● (1750)

I conclude by paying tribute to two individuals who are sitting in the gallery. They are two constituents from Pembina, a Mrs. Vicky Wirschke from Athabasca and Mrs. Pearl Baker. They have travelled several thousands of miles.

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I am not sure I will have enough time to finish my remarks this afternoon, but I would like to at least make a beginning. I am sorry the hon. member for Grenville-Carleton (Mr. Baker) is not here because I wanted to tell him how sympathetic we on this side are to the plight in which he finds himself. In light of the small number of Conservative members present this afternoon, I know it is the duty of the House leader, when no one else is available to speak, to step into the breach himself. That was very obvious from the content of his remarks and the fact that he had to fill up his speech with excursuses on multiculturalism in Canada, even reading a rather bad lecture to the minister on the motion which is before us this afternoon. When things like that happen, it makes all of us in parliament sad. We do not like to see anyone in parliament being worked as hard as the hon. member for Grenville-Carleton obviously is, judging from his speech. It is a pity more of his colleagues are not here to shoulder the burden, which he should not have to carry entirely alone.

I would like to comment on the fact that there are two opposition parties which are non-existent here at the moment. I would like to comment also on the attitude of the New Democratic Party toward small business, which has been revealed in the last day in the Ontario election campaign. The front page of the Toronto *Globe and Mail* this morning indicated that the provincial party leader has promised to jump the minimum wage in Ontario from $2.65 an hour to $4 an hour over a space of several months.

This was such a startling proposition when it was first raised that Mr. Lewis himself said he thought it might be a bit much. To quote the words of Mr. Lewis, as they appeared in the newspaper article, he said: "The $4 figure might not be unreasonable." After taking counsel with the party, whose policy this is, he said: "The minimum wage is inadequate and should be $4 an hour." He was asked directly how this wage boost would affect small businesses in Ontario. He replied with an old chestnut by saying, "—the effects of increases in the past have always seemed to be dire but never turned out that way." That is only because we have never had an increase of that magnitude in such a short time as has been proposed. I do not think any responsible party should be proposing that kind of change in that short space of time. We agree the present minimum wage in Ontario is inadequate, but it is not so inadequate that it needs to be almost doubled overnight.

The provincial Liberal Party of Ontario has been following a much more enlightened role with respect to small businesses and has been making this the centrepiece of its campaign. They have undertaken to create a large number of new jobs in the economy, 100,000 in fact, in very large part through assistance to small business. I indicate this to remind the House that this party has been dedicated to the interests of small business for a long time. This is shared by our party at the provincial level as well.

I should take the time to refer to the motion which is before us, but not to read it since the hon. House leader of the opposition did. Of the various things mentioned in the motion by the hon. member for High Park-Humber Valley (Mr. Jelinek), the only clause which the government has not fulfilled is that it has not introduced a small business act. As the minister said this afternoon, the government has not reached a decision on that question. This is one of the questions still to be decided.

With respect to that clause, it can be said that the program the opposition is pushing has not been followed by the government. Having a small loans act is not the only way of dealing with the problems of small business in this country. It is a matter of interpretation as to the degree of progress which the government has made toward a small policy and toward harnessing the productive potential of small business. Those of us on this side would contend that the government has been moving very rapidly in the direction of an adequate small business policy, aided and urged on by the backbenchers on this side of the House.

Some hon. Members: Hear, hear!

[Mr. MacGuigan.]

Mr. MacGuigan: We are cognizant of the fact that small business is the backbone of our country's economy. Something like 90 per cent of the businesses in our country employ 100 people or fewer. In my own constituency, which is often thought to be more remarkable for the presence of the big three of the automotive world, who are the largest employers, there are hundreds of small businesses even in the automotive field. They contribute a great deal to the economy of my city of Windsor and the country as a whole.

I think I had better call it six o'clock, before it gets any closer to the hour, Mr. Speaker.

The Acting Speaker (Mr. Ethier): Order, please. Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): It being six o'clock, I do now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

● (2010)

Mr. MacGuigan: Mr. Speaker, in the time that I have left I would like to deal with some of the aspects in which the government program with respect to small business appears to be succeeding and some of those in respect to which it does not appear to be succeeding or at least has not yet been sufficiently developed.

Of course, we are all aware of the accomplishments which have been mentioned by some of my hon. colleagues this afternoon: the changes in the Farm Improvement Loans Act, the Fisheries Improvement Loans Act and the Small Businesses Loans Act. Those are matters which have already occupied the House during this session of parliament.

The changes in the budget this year were of particular importance from the viewpoint of small business. It was a very major theme in the budget address, perhaps almost the major theme. It was very much welcomed by backbenchers on this side who feel they were in large part responsible for the inclusion of those measures in the budget. One of the measures in the budget proposed a change in the treatment of employee stock options for employees of Canadian privately controlled companies, and this will give small firms a better competitive edge in being able to get good management and skilled help who might otherwise go to large corporations.

The election of tax treatment on investments will encourage more investment in high-risk ventures. The change with respect to refundable tax will encourage joint ventures between small firms. The elimination of federal sales taxes in certain areas and the provision for assistance with respect to metric conversion will also be of considerable assistance to small

business, as will the deferral of tax on voluntary sales of assets, which will make it easier for a firm to move closer to sources of supply or relocate to take advantage of a better market or to expand in newer facilities. Many of the other measures in the budget, although not directly aimed at small business, will be of great assistance to small business as well, such as the extension of the investment tax credit and the increase in the dividend tax credit. All these measures are very welcome. They are an indication of the fact that the government is very well aware of the necessity of assisting small business in Canada.

Another development which is very encouraging both as a reality and as a symbol of the recognition of the role of small business is the reduction in paper work. We have made progress in getting government departments to share information among themselves, and the changes in the Corporations and Labour Unions Returns Act will exempt some 350,000 firms from at least one of their present reporting requirements by the end of 1981.

However, it has been estimated that this reduction in paper work is only about a 10 per cent reduction over-all. The change which has occurred to this point is indeed a welcome one and, indeed, in the policy paper which the minister will be presenting to the cabinet this summer, there will be further reductions planned in this area; but this is one of the places in which there is a great deal yet to be done because the burden placed on small business with respect to paper requirements is out of all proportion to the difficulty which is created for large firms. We all recognize that in order to keep adequate records of business so that the government will know where to allocate its resources it must have information, but surely there are better ways to get it than to impose many of the requirements which have been imposed upon small businesses. That, then, is one of the areas in which we would like to see further policy development.

Another area in which we would like to see further development is with respect to innovation by small corporations, and here I am indebted to the brief before a Senate committee which was presented recently by the Canadian Federation of Independent Business, which has already been referred to several times. The brief has very interesting American statistics to the effect that a very large proportion of the innovations and inventions which have occurred in this century has come from individuals or from small businesses, and that even when a similar thing could be done by a large corporation, the cost to a large corporation of making the same kind of change is much greater. A small chemical company in the study which was referred to in that brief with 50 employees was able to develop a new product for $1400. A competing firm with 20,000 employees required $11,000 to accomplish the same result. I believe this is an indication of the economic value of government assistance to small businesses which can, with much fewer resources, accomplish equal and often larger results.

Of course, we are aware as well of the necessity of the availability of financing for small businesses. This is a matter which has been before the public for quite some time, but I think from the experience I have in my constituency office and from dealings with my constituents, it is not one which has yet been solved by the government. As long as Canadian banks and other lenders are as cautious as they are—at least in comparison with the similar institutions in our neighbour to the south—I think we will need government assistance to make sure that risk taking continues to be carried out in Canada and that those people who have good ideas and new ideas have an opportunity to develop them.

In the time remaining I would like to concentrate on one particular kind of small business because it is one which is of peculiar importance to the constituency I represent, which is an automotive constituency. We have slashed our over-all deficit with the United States under the auto pact from almost $2 billion in 1975 to $1 billion in 1976. That is a great improvement indeed. Over-all our performance under the auto pact has been extremely good. We have 11 per cent of the employment in the automotive industry in North America, although we have only 9 per cent of the market, and that is something of which we can be rightfully proud. I think no city has benefitted more from the auto pact than Windsor, but at the same time there is a down side and I submit that that is much heavier than it need be and certainly much heavier than desirable.

The deficit in auto parts continues to increase. It increased only slightly in 1976 over 1975, but the fact that it has increased is in itself an undesirable feature. It has been going up steadily. In addition, the increase in auto parts during the years the automotive trade pact has been in existence is a very large one indeed, far too large to be acceptable as a continuing feature of the auto pact. This is very relevant in the present context because the automotive assembly side, which is the side on which we are doing so well, is the domain of the large companies, the big three and to some extent their fourth competitor as well.

However, the auto parts industry is composed of many small companies, and I submit that it is very important to the future of small business in this country in general that we assist these particular small businesses in the automotive industry. I am not satisfied that the present level of financial assistance which is available under the Enterprise Development Board is as good for the automobile industry as that which existed some years back when there was a separate administration and a separate fund which operated very actively to assist companies which were involved only in the automotive business. Given the importance of this industry on the Canadian manufacturing scene and the importance of small businesses generally, it is too bad that particular form of separate assistance to small businesses in the automotive industry was dropped.

That makes it all the more important that the enterprise development board have the mandate and budget to assist small firms in the automotive business. With the kind of competition these firms face they have to be assisted in those years in which the market is not as good as they would wish it. Moreover, quite often when the market is good the sourcing of

auto parts, which is controlled largely by the big three in the United States; is not favourable to Canada.

● (2020)

Some years ago at a time when the automotive parts balance was beginning to veer toward Canada, people in my city felt that the United States government put pressure on the automotive companies in the United States—it was usually silent pressure that would be hard to establish by evidence in a court of law, but nevertheless real—to make sure that they sourced most of their products in that country. That makes it important that the Canadian government apply pressure to the automotive companies in Canada—and to the extent possible to those in the United States—to make sure that we have a fair share of the market in automotive parts. It is unfortunate that there has to be government pressure of that kind, but we cannot allow ourselves to be put in a position where pressure is being applied by only one side.

In addition, there is the necessity of a review of the auto pact. Just recently the Minister of Industry, Trade and Commerce (Mr. Chrétien) said that the trade deficit on auto parts in 1976 was too big to swallow. It certainly is for my city which has suffered many of the consequences. Over all the balance is in our favour but when the balance in auto parts is against us, not only does it affect the situation of small businesses in Canada but it also affects the skilled trades, because the skilled workman plies his trade in the parts industry more than with the large companies. We are increasingly finding ourselves in the situation where, although we have large numbers of jobs, we have less and less skilled employment. That situation cannot be allowed to continue.

I would therefore strongly support the view that has been expressed in this House before that the Arthur report should be published so that all of us, especially those from automotive constituencies, can have all the latest facts with respect to the automotive trade pact, the deficit in particular. The government must adopt a vigorous position with respect to the automotive companies and the United States government in regard to the effect on small businesses in the automotive industry.

In conclusion, Mr. Speaker, I want to say that the kind of contribution small businesses make a country is impossible to measure. It is an omnipresent contribution, but it can be indicated by the fact that when people have visited an area it is not normally the large corporations they remember but the small places that have given excellent service—the kind of service that is not always found with large corporations. That kind of character of our society which has been a very important part of our development in the last two centuries is too important not to be encouraged and given every assistance by the government.

I think my colleagues on this side of the House would wish me to say that, while we welcome the progress that has been made by the government in assisting small business, there are still some steps to be taken. We would strongly urge the government to take those steps.

[Mr. MacGuigan.]

Mr. John Wise (Elgin): Mr. Speaker, I welcome this opportunity to join with other hon. members in this debate on the motion before the House regarding the small business community. I want to compliment my colleague the hon. member for High Park-Humber Valley (Mr. Jelinek) not only on his motion today but also on the sincere interest he has taken in the problems of the small business community. Indeed, if it were not for members on this side of the House and for the hon. member in particular, this government would probably have forgotten altogether the small business segment of our economy. It is widely acknowledged that if it were not for members on this side continually giving attention to the problems of small businesses and pointing to the neglect of this government, a Minister of State (Small Business) would probably not have been appointed. The mere appointment of a minister is certainly not sufficient, however. What is needed and needed now are legislative measures, tax changes and incentives designed to assist this segment of our economy.

With the ever increasing rate of unemployment in this country I find it difficult to understand why this government has not recognized that the state of small businesses in Canada is an extremely vital factor in the health of our economy and of society as a whole. Nor can I understand why the government has not acknowledged the significant contribution which small businesses have made to the economy and work force of this nation.

Small business establishments are without question the very lifeline, lifeblood and backbone of our communities, our provinces and our country. They are an important segment of our economy. Small businesses, by their very nature, provide a very high degree of diversity and this diversity adds much needed stability to our communities and our country. Yet bit by bit they are slowly being phased or forced out of business.

Far too little consideration is being given to such an important group—a group which not only individually but collectively has contributed much to our economy and social well being. Small businessmen and their employees represent half the wage bill of corporations in Canada, and when you consider how many small firms are not incorporated you can see what an important segment of our economic strength we are dealing with.

I have a great deal of respect for these business people, men and women who have shown substantial managerial skills, efficiency, determination, dedication and initiative over the years that has often surpassed that shown by the leaders and management of some of our larger corporations. Many of these people who establish their own businesses over the years, unlike many larger firms today which receive billions of dollars in the form of assistance or grants from the government, received very little from their governments but built their businesses on hard work, long hours, faith in their communities, faith in themselves and faith in Canada.

Unfortunately, due to the philosophies of the present day federal government, there has been a tendency toward centralization, bigger and costlier governments, stronger and more powerful unions and larger multinational corporations. If this

trend does not reverse itself in the very near future, the free market system which built this country will continue to suffer and perhaps even eventually disappear.

Generally speaking, governments continue to consult only with large business and unions and as a result most legislation is geared to those sectors. Small businesses, which employ two-thirds of the country's work force, must thus accept laws which were not designed to deal with their problems in the first place.

● (2030)

No segment of society is more vulnerable to the red tape of bureaucratic power than the small and medium sized business sector. They do not have the manpower to handle the massive volume of government demands for paper work for various purposes. Too many of the small businessmen fall victim to the uncoordinated leap-frogging by government departments in their demands for more statistical information. Their productive effort is swamped by the increasing demand for completing and filling in forms and questionnaires. Laws and regulations of governments designed to regulate the activities of large corporations fail to heed small and medium sized businessmen. They often find themselves defenceless in a jungle of conflicting regulations, unless they have available the services of corporate lawyers, tax consultants and government relations men; and people of that calibre serve larger firms.

Even regulations which at first glance seem innocuous, such as the federal government's labelling act, can put many prosperous companies into financial difficulties. In this case the labelling act's requirements for products to be labelled in both official languages has led to severe problems for some small businesses, particularly importers who cannot afford to relabel many of their product lines. It is grimly ironic to these small businessmen that often as not the imported products are marketed solely in one particular linguistic region. Certainly, Mr. Speaker, the government should show a greater measure of common sense in many of these cases.

For some reason or other the government does not realize in any meaningful way that the survival of small business is inescapably linked to the survival of the mixed economy; as a result, we are now witnessing more bankruptcies in Canada than ever before. The government should be making every effort to reduce the considerable existing bureaucracy which is strangling the small business community, while at the same time providing incentive programs which by way of the tax system would be based on research and development, increased employment, productivity, export sales and expansion.

The government should also be conducting an all-out plan to reduce to the bare minimum the amount of form filling that small businesses are required to undergo. The Minister of State (Small Business) (Mr. Marchand) stated in an address in Maniwaki on May 19 that officials in his department calculated that the present move within the government to reduce the amount of form filling will save the small businesses, in dollar value, more than $40 million. If that admission on the part of the minister is not evidence in support of the case we, on my side of the House, are making, I do not know what is. I have seen no stronger evidence. If the government has used more insight in the first place before they initiated their complicated form filling program, the $40 million they are now going to save the small businessman could have bolstered various sectors of the business community in dire need of assistance, and prevented many a bankruptcy. This is just another example of the waste of taxpayers' money caused by our complex government bureaucracy.

Credit for small business enterprise creation and expansion, including that of an agricultural nature, is becoming increasingly difficult to obtain. There is a general lack of credit. I feel too many banks are turning away too many applicants. It is the government's duty to instil a more positive attitude in this regard and to promote and guarantee such loans more aggressively. I suggest as well that the incidence of inflation and greatly increased building and operating costs should lead the government to consider seriously increasing the ceiling of these much needed loans.

The government has contributed to the small businessman's appalling plight by being unable to manage the Post Office properly and establish good working relations with the postal unions. At present the working relationship is poor. Apparently the government and unions do not remember that small businessmen in Canada bear the financial brunt of lengthy and unnecessary strikes. Small business people in Canada are in the worst position to cope with this recurring situation. These strikes affect many small businessmen. When many of them are forced into bankruptcy, they must dismiss their employees. This throws those Canadians into the ranks of the unemployed, and unemployment is already at one of the highest levels Canada has ever experienced in her history. The financial losses of many small businesses, and consequent increased unemployment, loss of productivity, loss of sales, and so on, contribute further to depress an already sagging economy.

Judging from recent reports we may experience another costly postal strike in the near future. Despite these financial losses and despite some bankruptcies, the small businessmen generally supported the government's stand during the last postal strike. Surely such fine private and corporate citizens, our small businessmen, deserve a better break than they are presently receiving. Small business and agricultural interests are not identical, although basically similar. As I said, the average farmer is very much a businessman in his own right. For years members on this side of this House have asked the government to change the tax structure in order to create a more workable atmosphere for the agricultural community and small businesses and, more importantly, to preserve those segments of our economy.

My remarks refer particularly to the small family farm. Only in the recent budget did the government finally move in this general direction. The Minister of Finance (Mr. Macdonald) is to be commended for introducing measures providing for a deferral of capital gains tax arising from the voluntary sale of land, buildings and certain other productive assets, to the extent that the proceeds are reinvested in similar assets.

Let me say again in the House that this provision should apply to all forced sales as well. This one small provision is not enough. It will not, and should not, satisfy the needs of the small business community. We still face the grossly unfair situation whereby the farm wife or family member cannot be reimbursed for labour unless the farmer incorporates his farm. The government well knows that if this is done, if the farm is passed on to the next generation, the tax free provision is lost. It is in fact a form of blackmail designed by a government obviously bent on destroying the small family farm as a viable enterprise.

As some of my colleagues on my side of the House said earlier today, this same provision applies to small business. The government's attitude seems based on the mistaken belief that the small farm or private business enterprise, if given an equal chance, is less productive than the larger enterprise. I challenge the government to prove the truth of this with facts and figures. I submit it cannot do it. Bigger does not mean better.

The wife and family of the small businessman must suffer the same fate since, basically, the same rules apply. Salaries paid to family members cannot be deducted from income tax unless the business incorporates, thereby incurring the same disadvantages. I call on the government to end this sort of discrimination.

The Canadian Federation of Independent Business suggests, accurately, that the government's apparent theory of bigger is better is wrong. Despite the current concentration of corporate power, we are experiencing high inflation and record unemployment. Government intervention so far has proved unsuccessful; obviously, more business incentives are needed.

One of the basic problems is that everyone has income but little wealth. Too many people cannot afford even their own homes. Wealth makes possible a shift in investment, not income. There is wealth in Canadian society, but much of it is concentrated in the hands of large corporations and other large enterprises, not in the hands of individuals. I refer to individuals like average Canadian men and women who provide the foundation of our Canadian society and who day after day utilize their human resources in the face of government neglect and indifference and struggle for survival in the small business community.

● (2040)

There is nothing wrong with big business. Nor is there anything wrong with big profit. Indeed, both are necessary and desirable. However, we need to take steps to ensure that small business and moderate profit is not completely engulfed by the corporate giants. So far the government is failing miserably in this regard.

Incentives to small business are almost non-existent and any measures that are taken are usually of an ad hoc nature, often too little and too late, rather than part of a well organized plan designed to promote prosperous growth in the small business and agricultural communities.

[Mr. Wise.]

Clearly, a more constructive policy is required and required now. This government has failed to provide that policy and the climate and atmosphere for the small business community to exist, to grow and, particularly, to expand. The economy of Canada has therefore suffered and Canadians have suffered. I am certain that Canadians, given the opportunity, will register their full support of this very excellent and timely motion put forth on behalf of our party by the hon. member for High Park-Humber Valley (Mr. Jelinek).

Mr. Arnold Malone (Battle River): Mr. Speaker, I am pleased to have the opportunity to speak today on this very important motion put forward by the hon. member for High Park-Humber Valley (Mr. Jelinek). In view of the present economic situation in Canada, there is no matter we could speak on that would have greater importance than the small business community.

In order to have a perspective on the small business community, what it means to Canada in terms of employment and jobs and what it means in terms of adding to the economic strength in this country, it is important to point out that small business in Canada provides more than 55 per cent of all the jobs in this country. It accounts for more than 50 per cent of the dollar value of business in Canada.

Taken as an economic unit, the small business community is the single most important community in Canada. It is most important to underscore the fact that a number of nations in this world have recognized that, have yielded to the obvious and provided strata and structure in order to give incentive to small business, something Canada has not done.

Before going further, I wish to comment on some of the remarks of the hon. member for Windsor-Walkerville (Mr. MacGuigan). He stated that the most recent budget was a real thrust to small business and that the government had given an incentive to the small business community. In truth, a wide survey of small business people across this country revealed that the vast majority felt that the most recent budget did not offer small business any substantive advantage that would allow reasonable encouragement of initiative.

If we want to be very candid this evening, we have to lay out at the start that this government today has no integrated policy related to small business. There has been a ten month period absolutely void of policy since the government established a ministry in charge of small business. The Minister of State (Small Business) (Mr. Marchand) is still unable to define for the Canadian public what he means when talking about the small business community. That minister has not in any way put forward what might be called a small business policy.

We are lacking a number of things. The minister has not issued a policy. He has not even issued a definition of what he calls the small business community. That underscores why the minister's first trip abroad after being appointed minister was to the Soviet Union.

If we look at the international scene, we see that the United States, Japan and West Germany all have extensive policies

that are aimed at the small business community. Japan has recognized that it is the private small business community that relieves unemployment. It is important that we look at the community in Japan. It is a nation with some 110 million people. It has, by our standards today, zero unemployment. By contrast, Canada, a nation we like to think of as one of the greater nations in terms of human and natural resources, has one and a half million people looking for work. The reason we have such high unemployment in Canada today is that the government has been totally incapable of recognizing that unemployment by and large is solved by incentives given to the small business community.

There is a myth that Japan is a nation of big business producing products such as Toyotas, Datsuns, Kawasakis, Sonys, Hondas and many others. In truth, most of the people employed in Japan are associated with family and small business enterprises. That is why that nation has been able to achieve such a very high rate of employment or, by contrast, such a very low rate of unemployment.

In Canada, we have a ministry which has done little to alleviate the unemployment situation in Canada. After ten months of operation, we still have from that ministry no definition and no policy flow to give the kind of credibility to the small business community that this country thirsts for in a very longing way.

Governments are particularly susceptible to regulatory overkill. Michael J. Trebilcock, a University of Toronto law professor, revealed in his paper, "Winners and Losers in the Modern Regulatory State—Must the Consumer always lose?" that the federal government alone has created more than 100 regulatory agencies.

Last winter the Canadian Federation of Independent Business conducted 3,264 interviews amongst businessmen. It asked this question: "What is the single most important problem your business is facing today?" Heading the list: Government regulations and paperwork. As one businessman complained, "I am expected, inspected, disrespected, suspected, dejected, examined, re-examined, commanded and compelled until I provide an inexhaustible supply of money for every known need and desire or hope of the human race."

That underscores the plight that this highly regulatory government has imposed on the small business community. We have the situation well illustrated by the anti-inflation control program where the government focused on big business and organized labour. There has been a disrespect for, and a dissociation from, the small business community, from the entrepreneur, from the family life-style business that is so prevalent and so much the backbone of the Canadian fabric of our economy.

No segment of society is more vulnerable to the mechanics of bureaucratic power than the small and medium sized business sector. Carl Beigie, executive director of the C.D. Howe Research Institute, agrees that we have passed into the land of negative returns. In 1975 he wrote:

—a proliferation in the government regulatory apparatus may have produced windfalls for the accounting and legal profession, but at the expense of the growth and efficiency of the overall economy.

● (2050)

Nothing could more underscore how government has imposed rules and regulations on the small business community so as to have a stifling and straitjacketing effect upon that very major and important sector of society. This is to say nothing about the tremendous social effect of over-regulation. There is an inverse relationship between individual liberty and government control.

I should like to take the opportunity this evening to read into the record a complaint I have just recently received from a constituent, Mr. Fossen from Killiam, Alberta who has a feed and farm supply operation. That business hires two people on a full time basis and during part of the season hires extra part-time help. It recently received from Statistics Canada a 14-page small print questionnaire with the demand that it be completed in 60 days or legal action would be taken. When you stopped to take a look at what that would require, by the owner of this company's own admission it would require that he shut down his business and work on his books for nothing short of 10 to 15 days. The form had such questions on it asking for the quantity of everything on hand—grain, concentrates, bran, oat flakes and so on. They wanted to know the amount of micro-mixes of all vitamins, the amount of macro pre-mixes for cattle and swine, the amount of all of the feeds they process—that is, all grain and how much of each individual one. They wanted a breakdown of all the concentrates, all the bags, all the electricity used, all the gas, all the office supplies, all materials used in production, equipment used by own labour force, and purchases of all goods from other sources for resale in same condition as purchased. They wanted a list of all complete foods purchased and sold, all reserves of animal and pet feeds, whether for birds, rabbits, dogs. The list goes on for 14 pages. This is an example of the way in which regulations are imposed on small business which does not have the wherewithal or the capital to be in a position to respond.

The owner of this small plant said that had the request come at a time of the year when he normally did his yearly inventory it would not have been difficult to have complied because the information had to be assembled for tax purposes anyway. But this insensitive government is now, twice a year, imposing such requirements as these on small business simply because one department or another decides it needs information. I submit that this is the kind of attitude which is endangering the small business community to the extent that it may wind up as an extinct species.

Now let me take a look at metric conversion. I am not opposed to it in principle but certainly this program has been put forward without any consultation with the farm community. Anyone who was a representative of a farm community would have known that three prairie provinces produce the bulk of the grain in this country. There is a road grid across Manitoba, Saskatchewan and Alberta one mile east to west by

two miles north to south. The grid is divided equally, then, into acres. The hectare will simply not fit in with the units which are already there. The government has not suggested the prairies be resurveyed. Obviously the farmers were not consulted before these changes were made.

We have read in the propaganda put out by the government that 95 per cent of the world lives on the metric system. What the government does not recognize is that there is no pure metric system which exists throughout the world. There is the Japanese metric system with all its differences relevant to Japan. There is the German metric system with its own differences relevant to Germany. There are the metric systems of almost all the countries in the world with their exceptions. But somehow the government felt they needed to take it in its pure form and impose it on Canada irrespective of the damage it might do to some sections of society. If there is to be any real feeling for the Canadian people there has to be a reversal of attention in terms of how we employ the concept of the hectare and the kilometre as opposed to the acre and the mile.

I turn now to another point. I was very pleased that the hon. member for Elgin (Mr. Wise) brought it up earlier today because I think it is an important one. I refer to the way we treat the family unit in small business today. I speak particularly of the husband and wife combination. Coming, as I do, from a farming constituency, I know what an insult it is when we witness the farm wife for a very large part of a year in a good many families working like a hired man, side by side with her husband, operating farm equipment, tending the cattle and other livestock, lifting heavy loads and then in the spring of the year being written off as a tax deduction for $1,418. What an insult it must be when those are her wages—simply a tax deduction. She knows her husband cannot pay her a salary because, if he does, she is taxable on that salary too. He also knows that he cannot do it unless he incorporates as a family business.

Incorporation for many farmers is not a practical alternative. We are in a situation today when that farmer can go out and hire a hired man to help him and write the hired man's expenses off as a tax deduction. When his own wife helps him, all he can do is write her off as a tax deduction. I think that is a scandal, not only in the farming community but in any small business such as a corner grocery store when two partners work side by side. Greater attention has to be given to this kind of system so that the entrepreneur who has initiative, ambition and the inspiration to get ahead is able to have incentive provided by government.

What we are witnessing today is the focus of government on the two major forces I mentioned earlier, big business and organized labour. No attention is paid to one really important sector of our society, the small business community. It has been demonstrated around the world that countries which have been able to keep a buoyant economy have provided incentives for small family businesses.

While talking about the small business community I should like to deal for a moment or two with the subject of labelling and how the present requirements act as a disincentive to the small entrepreneur for many reasons. The labelling legislation makes a lot of sense in terms of business which is conducted nationally. But consider the fact that some of the finest western boots made in Canada are made in Quebec, or that some of the best kayak paddles obtainable in this country are made in Quebec. Here is an example of where the labelling legislation might well apply. It applies equally in other areas of production such as the canneries at Lethbridge which see their products across Canada. But it does not apply to those industries either in English Saskatchewan or in French Quebec which are totally local. In these circumstances, to have to comply with the labelling regulations means another capital investment simply to get their ideas on the market.

• (2100)

One of the things that should not happen in Canada is that you have to pay an extra price in order to take some initiative. If you want people to have incentive, you ought to reward people for that, rather than pile up the bureaucratic overkill of paperwork which is imposed upon small businesses by the rigid, over-regulating government which we have at the present time. There are many small businesses which would very much appreciate an opportunity to get out from underneath all of the paperwork which is presently imposed upon them. Small business has a very different set of needs from the multinational organizations. We do need tariffs for protection from the giant textile industries, but they need not apply to the small speciality shops.

In my own constituency there is a store which sells only western shirts and clothing. By the laws of Canada, that store cannot buy any tariff-free shirts except from eastern Canada; it cannot buy western shirts because they do not make them. They have to compete with their neighbours down the street who can buy the tariff-free goods. On the other hand, we find the people who are importing these shirts getting them from the western United States and from other countries who are making western clothing. They have to pay tariff on them, and that acts as a disincentive to them.

The survival of the broadbased middle class is vital to democracy. Likewise, the small business community is an integral part of the economic mix of this country. However, securing risk capital at the present rate of loan interest in Canada makes a good idea too expensive. In the final analysis, Canada as a nation has to be the loser.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman, but his allotted time has expired. Nevertheless, he may continue if there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Malone: Thank you very much, Mr. Speaker. I would also like to thank my colleagues and friends in the House for giving me an extension of time. Before concluding, I have a few more comments to make.

Even after a decade of rapid inflation, the ceiling on small business loans of $50,000 should be readjusted upwards so as to account for the inflationary trends of this past decade. If we are going to have a situation where small business entrepreneurs can establish themselves, get their feet on the ground and offer viable alternatives in Canada for employment, then we have to think of businesses capitalizing themselves somewhat in excess of a rate of $50,000. Presently the government's approach to unemployment is to give the people of Canada make work programs through such concepts as LIP, LEAP, Young Canada Works and Canada Works. If the state has no business in the nation's bedrooms, then it has no business frustrating the basement offices of its homes either.

The government is hoping that by some kind of make work programs it can solve unemployment. All that it does with its make work programs is to shift from make work during one half of the season to unemployed people during the other half of the season. In other words, in Canada today we have a coin which has on one side heads—make work—and on the other side tails—unemployment. Either way Canada is losing, because on that kind of a flip of a coin you cannot come out a winner.

If we had more incentive for the small business community, we would have ongoing employment such as would match West Germany, Japan and the United States. All three of those countries have specialized departments and incentives to give encouragement to small business groups. There should be a tax credit incentive for small businesses which would do more for free enterprise than the current focus on organized labour and the multinationals. It would do more for free enterprise than would all the make work programs this government can dream of. Make work programs are merely an extension of unemployment, except with a stop gap. It is a band-aid which does not cure the ailment but simply hides it and puts it away.

I will conclude by saying that the small and medium-sized businesses, managed by the small or medium-sized operations, hire 60 per cent of Canada's labour force. That is a fact we have to address ourselves to, and that is a fact which the Japanese, the West Germans and the Americans have addressed themselves to. Their economies reflect their governments' sensitivities to the needs of their people. I hope this government will see fit to adopt the motion being put forward here today.

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, I am very grateful to have an opportunity to speak today. It is only seven months ago that I left the business world, and I feel I still have a strong sense of what should happen to small business.

It was in December 1971 that F. H. McNeil, President of the Canadian Bankers' Association said:

> Confidence is low among Canadian businessmen because they believe many government attitudes and policies are either irrelevant or fundamentally detrimental to Canada's interests . . . Businessmen are frustrated and disenchanted.

The federal government, if it is interested in small business, must either play a role in providing the financial capital required for expansion or legislate changes in the Bank Act to provide the incentive to the financial community to generate a larger proportion of the monetary needs of small business.

However, there is a need for more money. Managerial talent and organizational restructuring are also very important and key to the life and survival of small business. Government could increase support to the provinces to improve the quality of education in business schools, MBA programs and the wonderful programs which are happening in community colleges.

The situation facing Canada today is critical. The problems of small businesses do not only mean an increase in bankruptcies and resulting unemployment, which is serious enough on its own, but by failing to support and basically hindering small business in Canada, the federal government is denying an important resource to our struggling economy.

The catalogue of difficulties facing small businesses in Canada is complex and lengthy. I would like to explore some of them now. One problem which many small businesses have to cope with is the enormous volume of red tape existing in Canada today. A study by the Law Reform Commission reported in 1975 that federal statutes have now created some 20,000 criminal or quasi-criminal offences. Provincial statutes account for another 20,000 such laws. This has meant an ongoing transfer of decision-making powers and economic resources from the private sector to the state. The situation led to complaints such as "governments are increasingly hostile to business" and "the bureaucracies are apparently anti-business".

I am afraid the worst problem is here in Ottawa, because it has become so remote, because it is so vague and because it appears inbred. In some of our large public service emporia they are only interested in talking to people who come from equal size broadloomed offices. Small business must have consultation with all levels of organization, especially with senior officials and ministers who are out of touch with small business.

● (2110)

I recommend the story of an Ontario cabinet minister who, in the last two years, has taken two Winnebagos and travelled the length and breadth of Ontario to talk to tourist industry owners right in their own homes and travel agencies. What has happened is that Ontario has begun to design the right kind of incentives and programs for the travel industry.

Another problem for small businesses is in the area of government tenders. There is a need for change in government tender practices so that small business supplies a portion of government purchased goods and services. As has been stated here earlier today, Canada lacks a small business act. Under small business legislation in the United States, however, one third of federal spending for goods and services goes to small business. Imagine a third of all purchases of our federal

government going to the small business community. What a lift that would make!

In 1950 cash spent by governments amounted to 28 per cent of our national income; now it is 46 per cent and rising. In order to collect this money, the government has evolved an intricate tax philosophy and tax policy. The whole area of taxation is another government induced problem faced by small business. The corporate rip-off in Canada is that half of our profits are going to governments which put in little capital, man hours, or risk in order to benefit from business. It is not uncommon, for example, for governments to encourage business through tax allowances. The businessman then risks his capital, time and in many cases forgoes income for a number of years—at which time government calls the tax allowances "loopholes" and closes the tax gap. Where have we heard that before?

Any new venture requires planning, research and development, financing, staffing, the construction of production facilities and marketing. Even in a successful program, there is a long waiting period between the initial outlay and a return on capital. Any change in a tax law without notice is unfair; such changes are now being complicated by retroactive tax laws.

Taxation should be designed not to produce revenue but as a device to influence the economy. Governments frequently tax at the wrong time, at the wrong place and in order to gain immediate funds. The Canadian economy is often compared to a pie, and we argue about how the pie should be divided. Forgive me if I bring a note about the bakery industry into my speech. We argue about how the pie should be divided. Instead, we should worry about first making the pie. The major ingredient in this kind of baking is real wealth, and our taxation system should aim at increasing it.

The Canadian taxation system should work to motivate people to greater production. Our taxation system is now frequently aimed at punishment when it should encourage productivity and efficiency. Government should attempt to keep taxation simple and the cost of collection at a minimum. That Chinese expression "Do not remove a fly from your friend's head with a hatchet" is a motto which I believe our taxation department officials should have on their wall.

Decision-making in business is now being turned from factors of economic efficiency to considerations of taxation. The best efforts of many small businesses are now towards bending the best principles of sound business practice to fit an unsound taxation policy. Our incredibly intricate and therefore expensive collection system, coupled with a high rate of taxation, is producing disastrous side effects and undesirable changes in our economy for which our citizens never voted.

So that you do not think I am just being negative or critical, let me point out that our party has proposed some sound changes. One of the more recent comprehensive statements on taxation came from the hon. member for York-Simcoe (Mr. Stevens), in his reply to the March 31 budget on April 4, 1977. He proposed a tax credit for small businessmen investing in research and development. As the small business sector is already one of the most innovative groups in the Canadian economy, these efforts to advance the technological capability of this country should be rewarded. The Progressive Conservative proposal would form an alliance between the goals of increased research and development, a reduction in regional disparities and the encouragement of small business—a fortunate coincidence of goals.

Under the proposal, a small businessman could obtain a tax credit for investment in research and development. The credit would be on a sliding scale, depending upon whether the project was taking place in an area of regional disparity. The amount of the rebate could range from a high of, say, 75 per cent in the Atlantic region and Quebec to a low of 25 per cent or less in the more prosperous areas of the country. A substantial proportion of the tax revenue lost by such a credit would be regained as a result of the new employment opportunities created. Such investments in R & D will result in increased economic growth over the long-term and a more stable basis for the Canadian economy.

Another proposal is for long-term fiscal or tax contracts for companies investing in areas of regional disparity. This proposal would be of particular benefit to the medium sized owner-managed company which would be willing to take the risk of investing in a slow growth area. The purpose of the tax contract would be to provide some degree of tax certainty for a company willing to undergo the financial uncertainty of investment in an area of regional disparity.

The sort of contract our party is thinking of would be of the following kind. A company thinking of investing in, for example, Newfoundland would sign an agreement exempting the operations of the new investment until, say, 150 per cent of the investment had been recovered or until ten years after the plant begins production. Both of these tax proposals are designed to assist both in fostering the small business sector and reducing regional disparities. They are grouped together because the goals of a strong small business sector and of regional development are complementary—in fact, they are so complementary as to be mutually necessary.

Several unfortunate experiences in the past, such as the Shaheen Come-by-Chance Refinery, Bricklin, etc., should show us that big business may not be the answer to regional development. You cannot build an adequate, large scale industrial infrastructure from scratch. Without infrastructure, large scale industry cannot survive. Without large scale industry, there is no need for an industrial infrastructure. Further, because small business is more labour intensive than capital or energy intensive, a predominantly small business economy in areas of regional disparity will escape many of the problems associated with high energy and transportation costs. Small and medium sized firms are far more likely to make permanent contributions to regional development than are world scale plants, and that will be a benefit conferred by our proposals for small and medium sized business.

Another positive suggestion is that small business feels the weight of government regulation and paperwork far more than larger companies which can afford the armies of lawyers and accountants required for compliance. This administration has

announced its intention of reducing the burden of regulation upon business. There is even some scant evidence that an effort is being made to reduce the paperwork burden. But in the meantime, government imposes costs upon business—costs which fall most heavily upon the owner managed sector.

Our party has proposed that there be a tax rebate for small businessmen who must cope with federal government paperwork. The rebate would only be a token amount in terms of the costs imposed, but it would involve a financial recognition of the costs the public bureaucracy imposes upon small firms, and, more importantly, it would provide a financial incentive for the federal government to reduce its paperwork.

Another point is investment incentive credit. All Canadians should be encouraged to invest in small and medium sized business. Larger corporations can afford to pay interest on bonds or dividends on equity. Those who purchase these instruments can take advantage of an interest income deduction or a dividend tax credit. No such treatment is available to investors in a small business, simply because the average small business is in no position to sell stocks or issue bonds. Anyone who has seen what is required for that kind of thing knows that small business cannot handle it. A small businessman gets his money from his own resources, his friends, his neighbours, local lawyers, doctors or often from his mother-in-law, but those creditors may not get their money back for years, if at all. Why should these people who invest in Canada's future—not people who buy stocks or bonds—not get a tax break as well? Our party suggests that they should and that at the very least the investor in a small business should get the same tax break as an investor in a large corporation.

● (2120)

Since 1972 our party has pressed for an investment credit scheme. An investment credit should be available to any Canadian citizen who makes a direct investment in the equity of a Canadian owned, small owner-managed business. The credit, which could amount to 50 per cent of the value of a qualified investment up to a maximum of $5,000 per year, should either be offset against an individual's income tax for the year or rebated directly to him. Qualifying investments should include direct participation in proprietorship or partnership as well as investment in the new equity offerings of medium sized corporations. I cannot help but feel that this last proposal would have a profound effect on small businesses, especially in the outlying areas of the country.

If the small businessman had unlimited funds, there would be fewer tax problems for him to worry about. He could indulge in investment in multiple corporations, offshore vehicles, sophisticated annuities and capital reorganizations. He could set aside days to confer with tax assessors, supervisors, and valuators of Revenue Canada, locally and in Ottawa, only to find that simple solutions are no longer available.

The small businessman or woman fights survival in an age of technocracy where the majority of politicians do not comprehend the complexity of the laws they pass. Today if you enter into any unusual business deal without advice, you are often in very heavy tax trouble. Getting advice brings the realization that a person involved with small business must have lawyers, C.A.'s and insurance people who specialize in tax laws and that the general practitioner in these fields can no longer provide all the answers. The small businessman finds that soaring professional costs, because of the increased time which now must be spent on these things, have no return.

Above all, the small businessman finds uncertainty. He is asked to make certain decisions with regard to his future and that of his family, to reorganize, to pay out fees, and pay out thousands of dollars for insurance, valuations and trust companies, all essentially costly and nonproductive. He has no guarantee that solutions will work, that the government will agree or that laws mean what they seem to mean, let alone that laws will not radically change in future years.

It is far easier in tax planning for him to remain with as simple a structure as possible and to sacrifice tomorrow's future tax advantage for today's uncertainty. So he puts off adding that addition to the factory. He puts off buying that piece of equipment which would employ four or five more people. He decides it is just too complicated, and his business stays the size it is. A company which is not dreaming and growing begins to fall back, and hon. members know the end of that story.

In spite of the fact that a number of brilliant specialists, in government and in the professions, revel in their ability to think of long words and legalese, the majority of tax advisers as well as Revenue Canada and the Department of Finance would prefer a simpler and more comprehensible law. The entire act should be rewritten so that it can be comprehended by the taxpayer. I am afraid that the laws today are framed in ambiguity and absurdity, which will continue to confound both judges and practitioners until corrected.

From the point of view of small business the administration of tax laws has become as critical as the laws themselves. Solutions have been suggested continually by the joint Bar-CICA taxation committee and organizations of business, but there seems to be no outward indication that the problems are being dealt with. Instead of leadership, I am afraid we have musical chairs. We have had Mr. Benson, the Minister of Industry, Trade and Commerce (Mr. Chrétien), Mr. Côté, the hon. member for Windsor West (Mr. Gray), the hon. member for York-Scarborough (Mr. Stanbury), the Minister of Justice (Mr. Basford), and the Minister of Manpower and Immigration (Mr. Cullen); and now, with all due respect, perhaps it will be different because we have a lady, the Minister of National Revenue (Miss Bégin).

Whether the problems are philosophical or whether there are problems in communications, lack of policy is critical at this point. I only hope that the government will begin to see that two things are needed. The first is a change of attitude within the tax department, and the second is an over-all long range policy for small business.

Some hon. Members: Hear, hear!

Mrs. Pigott: I am going to end on a hopeful note. In April, just a month or two ago, the Minister of State (Small Business) (Mr. Marchand) spoke to the western regional newspapers' annual meeting at Banff, and in that speech he said:

> I intend to do what I can to get government off the backs of small entrepreneurs, so that they can get on with running their businesses and making a profit. Profit is not a dirty word with the federal government, and small business is too important not to get a fair shake and a fair share from Ottawa.

Those are wonderful words. I urge the minister and his colleagues to make that statement a reality.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I have listened to the debate from the very beginning today on this peculiarly opportune motion by the opposition relating to small business, and I do not think any person listening and wondering as I have been today would hesitate in saying that the latter part of the remarks of the hon. member for Ottawa-Carleton (Mrs. Pigott) put the finger on the solutions more succinctly and aptly than any other speeches made today.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): One of the weakest parts of the policy making of all parties in this House for 30 years has been in the field of small business, and this motion today, which focuses on this question, does a great service. There is no question that despite the federal government and all the provincial governments this is still primarily a private enterprise country. Over 50 per cent of the labour force of this country works for incorporated small businesses, and an additional percentage—the figure we never know for sure—works for unincorporated small businesses. We have that amount of the labour force working in incorporated or unincorporated small businesses—it is well over half—and we have this combination of inflation and unemployment which the economists do not know how to resolve because, according to them, it has never happened before.

The economists know nothing about history. The only thing they ever learn is what they are told by their economics professors at university. They think all wisdom came from Adam Smith, Ricardo and perhaps Keynes and, if they are "with it", from Galbraith. The fact is that economists do not know the first thing about the problems of inflation and unemployment when they arise at the same time. These subjects are so important that we cannot leave them to these people who look at the world through a long pipe.

It is obvious that the government is willing to help small business, but it is equally obvious that the government does not know how to do it. The answer, which I think was suggested better than anybody else by the hon. member for Ottawa-Carleton, is that taxation is the key. Our taxation system is based on the philosophy that you have to be big to be good and that the only thing that works is economy of scale. That is what it says in the economics textbook.

The agricultural field is a small business field where literally 95 per cent of the operations are owner managed. The greatest growth in Canada since the war has been in the field of agriculture. Whereas growth across the country has averaged 2½ to 3 per cent, agriculture has maintained a growth rate of over 7 per cent.

● (2130)

The government under Mr. Pearson collected all the brains in the economic field from government, universities and private business, and all agreed that in Canada there were three times too many farmers and that the way to get efficiency was to reduce the number to one-third. All these economists agreed there was too much land in production and that the thing to do was to reduce the productive land in the prairies, the great agricultural area of Canada, to half. That was true not only in connection with farms. They had the same attitude toward small business—that there were too many of them and that we should have big business.

Every speaker on this side of the House today has brought into his remarks the characteristic of government tax law—that everything is in favour of largeness. In the case of agriculture we have the Vulcan study in Alberta and the Ontario government's study on agriculture which demonstrate beyond any argument that productivity comes at its maximum in these owner-controlled enterprises with two pairs of hands. A man and his wife, a man and his son, a man and his daughter or a man and his hired man, give the highest level of unit productivity. Because the ownership and the management of our farms are usually under one person, we have attained a growth rate in productivity of 7 per cent per year for 30 years when all other business has only averaged 2½ or 3 per cent. We have the studies to prove this in agriculture, but of course the government does not read such studies.

This government accepts the doctrine of the economists that business has to be big, so the tax law reveals how to get exemptions by adding to cost. The more people you employ, they say, the more you can deduct from income; the more expenses you incur, the more you deduct. As a result, as the hon. member for Ottawa-Carleton (Mrs. Pigott) pointed out the small businessman cannot compete because he cannot hire the accountants, tax advisers and all the other people to figure out ways to use the complicated tax laws to add to the expenses of the company so that it pays less tax. Therefore, the businessman, *ipso facto*, is discriminated against in the tax burden.

Now I want to say something on the positive side as well, Mr. Speaker. It is not only in agriculture or in the small business enterprise that you get innovation and productivity. Let us examine so-called big industry—the oil and gas industry. We have all heard of Imperial Oil; it is a little subsidiary of Exxon. It gets the credit for discovering Leduc in Alberta in 1947. It was not the big brains of Exxon or Imperial that discovered oil at Leduc. One lonely geologist for years fought the big boys at the top who all believed the same textbook and were wrong. He pleaded with them to look at the reef structures beneath the surface in Alberta. Because this was the last well of all, the companies that had been drilling unsuccessfully in Alberta for 20 years, as a kindness to one of their junior

geologists, agreed to put a pipe on the reef field. That was the beginning of the discovery of the 50 billion barrels of oil that have fuelled Canada since. That happened because of one individual, a man who could think and who had the vision you must have to make changes. I think our whole oil and gas industry should be a monument to this man. His name is not known. Even the president of Imperial Oil, Mr. Twaites, who retired two years ago did not know about it. This man's name is forgotten except by old timers in the industry.

Now let us look at farm machinery. We have big companies that produce machinery worldwide. How many of the new improvements put on the cultivators, the ploughs, the combines, the seeders come from the big companies? Almost invariably they come from a farmer who has figured out the answer to a problem. The farmer designs the hydraulic system that makes each of his cultivator teeth stay at the same depth in the soil regardless how hard it is. Individual farmers have figured out the answer to their problems. Usually a local manufacturer tries to produce the item that makes the implement work better. Only then do the big companies come in to buy up the idea and incorporate it in their machinery.

I could go through almost all the types of things used in the productive machinery of the large corporations in the resource field across this country, whether it be mining, oil and gas, farming or the forest industry. Almost invariably it is the man who has to grapple with the problem of handling the big tree on the side of the hill who figures out how to do it. They call these people "hay wire farmers" but these are the men who are giving Canada productivity in the forest industry, the agricultural industry, the mining industry and the oil and gas industry. These are the men who develop machines to crawl across the muskeg. They are not from some foreign country but are Canadians and, I might say, most are from the farm.

This is our genius—the ability to adapt; this is our genius—the ability to work out a solution, both practical and economic. We do not have to back down one step to any nation in the world in translating fundamental scientific and engineering ideas into practical, workable machinery. Our scientists and engineers have not let us down, but there is a tremendous gap between what they do and what scientists and engineers at the government level and at universities do because we have not got the means to translate that into applied operations. Usually it is a farmer or a man working close to nature in the forest or mine who finds out something about these theories—and sometimes even without finding out, produces a new idea.

I should like to wind up my remarks with a few words about opportunity, Mr. Speaker. Never has Canada had a greater opportunity in the area of small business than today. I am not talking about the merchandising field which has been well covered today; I am talking about the small entrepreneur who produces new ideas. It is obvious that over the next 30 years we have to shift from our practice of producing raw materials without consideration for recycling or using renewable forms of raw materials. It is in this field that Canada leads the world.

If we look around to see who has done most to make it possible for us to shift smoothly to cheaper ways of producing heat and energy, we find Canada is in the lead. We owe this to our universities, the National Research Council and the practical people in the field.

A good example is the National Research Council. In Ottawa it developed a vertical windmill that runs silently. All you have to do is put an induction motor on the bottom and plug it into any outlet which will turn those two blades. Because it is in motion, a wind at two miles an hour will reverse that induction motor into a generator. This cheap little $60 motor that you could take off the bottom of your washing machine will transform that two-mile per hour wind into one of 12 miles per hour, giving three or four times more power than your house would need. Obviously it will not work when there is no wind. It produces more power than you need when there is wind but when there is no wind it does not produce enough power.

Who would be better able to produce this than the small Canadian businessman? Yet there are only two Canadian firms producing this windmill because most are only interested in producing large windmills costing $1 million or $2 million that the government will buy. The farmer, or person living on the windy hilltop or beside the lake is interested in buying one for about $3,000 with which to produce power for his home or farm. He can sell the surplus back to Ontario Hydro, Saskatchewan Hydro, B.C. Hydro, or even the Hydro Commission in Nova Scotia. Farmers understand this, because 40 years ago they all used windmills. When hydro came along and gave the farmers an alternative to the noisy, straight line propeller-driven windmills, people in rural communities began using hydro power. On windy days farmers could sell their surplus power to hydro. If the wind dropped, hydro could turn on one of its water generating plants to provide power until such time as the wind picked up again. In this way, hydro could stand by with extra generating facilities for a calm day.

● (2140)

This proposal could apply to between 50 per cent and 60 per cent of all Canada. I could apply to much of Quebec, parts of Ontario, certainly those communities next to lakes and rivers, and to all of the west. In the west we have more wind then you can shake a stick at. This sort of power could be cheaper than conventionally generated power, but big business will not build the facilities. It is interested in selling the machinery it is already producing.

What programs are there in Canada for encouraging small business to become involved in this enterprise? The design work has been done and prototypes of the equipment are in place. One piece of equipment has been running for years on top of the National Research Council building. Another piece has been operating for the last two years a mile or so west of Regina. The demonstration period is over. The equipment has been brought back to Ottawa. Why can we not institute a positive policy whereby Canadian business will be encouraged to produce such equipment? It is simple to reproduce. Let us make it available to the half million, or even two million homes and farmers who could use it in this country—I am not sure

what the number is. But you can only do it if you accept the sort of proposal the hon. member for Ottawa-Carleton (Mrs. Piggott) made, namely give to small business some of the advantages you give to big business. Let us give small business a tax write-off. Let us give them some power of leverage, which involves part of the cost of equity and part of the cost of financing. Mr. Speaker, we lend farmers hundreds of millions of dollars and lose nothing. Farm credit is amazing. No business can meet the credit rating of a farmer on repayment. The same would hold true with regard to power generating equipment.

Second, I raise another farm-related subject, methane production. People have been producing methane for lighting and heating their homes for 6,000 years. Methane is produced mainly in warm countries. Why can we not produce it in a cold country? It is produced in universities, but I have seen only one farmer using it full time. Why cannot we encourage methane production, especially on the farm? If a farmer can raise hogs or cattle and thereby make $10,000 a year, I suggest he could make $20,000 profit with the methane produced from those animals. If he removes the methane from the animal waste, he can increase the value of its fertilizer component fourfold.

Since one ordinary herd in western Canada could produce enough methane to heat four homes, I should think the government should consider giving tax advantages to encourage methane production. They can produce methane in universities, and methane is used in a project in southern Manitoba. Of course, someone has to keep track of costs. A farmer must know what it costs him to produce methane. He, himself, will need to do much of the work, because help on the farm is hard to come by. I would think it would be a good idea to give some incentive for the production of methane.

As well, we could use the protein content of waste material. I read an article the other day saying that 21 cities in the United States are using their garbage to make money. If we could only use the protein contained in animal waste on North American farms, my God, we could generate hundreds of millions of dollars of income. The figures are in the scientific records, and they show that one ton of cow manure—if I may mention it in this august place—is worth about $3 if it is just dumped on the land. If you take the methane out, you increase its value as fertilizer—and have the benefit of the use of the methane—to $30 a ton. That same ton of manure, if it is recycled by chemical means and turned into absolutely pure cattle food meeting all the standards of the FDA, the Canadian Department of Agriculture, is worth about $140 a ton. Mr. Speaker, such enterprises ought to be under way in Canada in 500 places, and all could be making a profit. All should be paying tax on that profit. And only small business can do it, because only small business people can handle, say, the 50 tons of manure a day involved in the operation.

I tell the House all this to show that private enterprise is not dead. Private enterprise has a tremendous future. If the government thinks private enterprise consists only of very large firms and tailors our tax laws to suit these enterprises, that future cannot be ours. The men who guide the destinies of this government and believe that bigger is better on the farm, better in industry and better in merchandising are dead wrong. I believe the task force report of 1969 was dead wrong. I believe the report was monstrous and did an injustice not only to the producers of Canada but to those who want the food they produce. Yet we are ruled by a government dedicated to the proposition that we must reduce the number of farmers, and get rid of small businessmen and small farmers to boot. I say without hesitation that we are right to criticize the government for not acting as quickly as possible on the question of small business.

• (2150)

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, in the remaining few minutes, I would like to comment this evening on some statements that were made today. I have had of course an opportunity to look at what was said by some members here about the federal government's small business policy. Of course they enjoyed referring to what should have been done rather than what has been done. It is quite normal that the opposition criticize the government, especially of course on allotted days.

But if we examine the subject of today's debate and the wording of the non-confidence motion, I suggest we find little there of real substance. The hon. member for High Park-Humber Valley (Mr. Jelinek), who was responsible for today's debate, did not deem fit to remain very long in this House to hear what his colleagues had to say, or what other opposition members would add to his remarks. I submit, Mr. Speaker, that he did not put forward proposals that could bring any change for the small business community.

Mr. Speaker, I would like to differentiate as far as small businesses are concerned. There are two kinds of firms in my view: Those that produce goods as such, and they alone add real value. On the other hand, there are firms that deal in trade as such, and they also are headed by businessmen. The latter of course are needed, and I recognize the value of their services to the community, but there is a basic difference in that they add no value as such to the goods they handle. They add to the cost, of course, because their services in warehousing and merchandizing goods made by the other sector, the manufacturing sector, entails costs, and those costs are passed on to the consumer.

Admittedly, their services are needed. But there is a difference, Mr. Speaker, because what is adding actual value to the goods is the small processing, manufacturing industry in Canada. That is the one we must help the most. Of course, we need the one that is active in the commercial aspect of business, but it can easily take off and prosper when the market and the demand exist, when the consumers exist and they have the money to spend; but, with production, the matter is much more complex, Mr. Speaker, because it requires initiatives; the risks are greater, it takes more capital and

technological know-how. And that is not easily found everywhere.

That is why the government must, through its policy, preferably encourage those people who are in the manufacturing and processing industry. That is why we have a plethora of government measures, under the Departments of Industry, Trade and Commerce, of Finance, and ours, the Department of Regional Economic Expansion, and also the new one entrusted to the hon. member for Kamploops-Cariboo (Mr. Marchand), Minister of State for Small Business. Those are four government departments which help small businesses specially, among other responsibilities, of course.

Take the Department of Regional Economic Expansion, for instance: 80 per cent of all companies we help are small manufacturing or processing industries, which get financial assistance either through direct grants or loans, or loan guarantees to help them start out in business, to expand or even modernize their operations. The government has several programs. There is the technological research program, which provides various forms of help from the Department of Industry, Trade and Commerce. When I hear hon. members of the opposition say those are not good enough, I would appreciate their being much more specific about what new forms of assistance there could be. They talk of help through tax exemptions: we have had, for years, what is known as investment tax credit.

Small businesses, large businesses and even farms are eligible for tax exemption, assistance plan or tax credit which is available to help them in their investments. I cannot understand how members of the opposition can stand up in the House and state categorically that the federal government does not help small business. We also consult small businessmen, we have consultations and meetings with them, and they tell us what they need, what is wrong with the present system, what they would like to see changed in our laws and regulations. For instance they told us that they would like to see better consistency between the various programs of the government, a reduction in the number of forms and reports they have to fill in, and we are doing that now, because it meets their needs. We have made funds available to them.

There is the Small Businesses Loans Act, research is available to them, there is also assistance to prospection for foreign markets, one federal agency gives them credit guarantees and export credits. Here in Ottawa, we have devised a variety of schemes offered to all businesses, small, medium or large, to help them do business and I cannot see why it should be necessary to add any others as it has been suggested. Our economic system is going through a difficult time. The demand is not as strong as one would hope, because in Canada during the last few years, due to a feeling of uncertainty, people have chosen to save more, and reports that we regularly receive each month indicate that Canadian savings are highest ever. One can therefore predict, Mr. Speaker, that with the return of a certain degree of confidence within the public at large, purchases will increase, the general demand will grow and manufacturing businesses will regain those customers they had lost, and this will necessarily put them in a position to make greater profits.

One could elaborate on this, Mr. Speaker, but I would rather say a word about what our department has been doing lately particularly towards helping small businesses. We had been told that there were a lot of talented people in certain areas, numerous individuals with no lack of initiative who had excellent projects which they could not launch because they did not have the necessary funds with which to get those small units started. During the past few months our department started a special experimental program designed to assist the kinds of entrepreneurs who did not have the wherewithal to get their small businesses off the ground. We have offered them direct subsidies, additional financing and some technical assistance. This program seems to be making a headway and encountering a lot of success particularly in New Brunswick where it has literally been extended to all that province. Mr. Speaker, within the coming months I am definitely planning on trying this program in other parts of Canada, in other provinces, because this is a way of helping those small entrepreneurs rich in ideas and creativity who have been able to determine certain needs in the market and who have a keen feeling for innovation, mainly in order that they be able to create new products, new types of goods which will answer the needs of consumers, be they Canadian or foreign consumers likely to import their products.

I would like to conclude by saying that the government is well aware of the need of small businesses for constant support. We are ready to consider any serious and substantial suggestion likely to help small businesses, but it is certainly not during a debate of this type, it is surely not by reading the speeches made in this House that small businesses will feel reassured because even though the speeches made today contain many ideas, they contain even more contradictions. I do not think that this is the way to reassure small businesses.

Mr. Speaker, I see that your patience is at an end. I shall not abuse it any longer except to say that the opposition did not necessarily gain anything today by attacking the small businesses assistance policy of the government. I believe that results speak for themselves. The government has the support of small businesses and small businessmen and this is why it will long continue to have the confidence of Canadians.

The Acting Speaker (Mr. Ethier): Order, please. It being ten o'clock, it is my duty to inform the House that under the provisions of Standing Order 58(11), proceedings on the motion of the hon. member for High Park-Humber Valley (Mr. Jelinek) have expired.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AIRPORTS—MIRABEL AND DORVAL—REASON REVENUE NOT RECEIVED FROM HOST RENT-A-CAR

Mr. Don Mazankowski (Vegreville): Mr. Speaker, on May 24 in reply to a question I directed to the Minister of Transport (Mr. Lang) he confirmed in his own indirect way that his department was not receiving revenues on a monthly basis from Host Rent-a-Car at the Quebec City, Dorval and Mirabel airports due to the fact that Host, to quote the minister, "has not yet received a licence from the province of Quebec". That is reported at page 5880 of *Hansard*. The car rental concession contracts have been in effect since November 1, 1976 but in the case of Host at these airports no revenue has been coming in. To go back to this fiasco of the ministry's handling of car rental concessions at international airports, we note that included in the tender package which the departmental officials gave the applicants at the time tenders were called there was a section dealing with terms and conditions which included, under "Licences, permits, etc." the following:

● (2200)

The lessee shall procure and maintain at the cost and expense of the lessee such licences, permits or approvals from federal, provincial, municipal or other government authorities and such private permits as may be necessary to enable the lessee to furnish the services and to conduct the operations provided for in this agreement.

The car rental concession operators at the departments airports in Quebec must by law obtain a licence from the Quebec government in order to operate their cars outside the confines of the airports. I am informed that Host Rent-a-Car applied to the Quebec transport board for a licence in January of 1977. It is interesting to note that Host was awarded the tender in October, 1976. On June 6, I am told, there will be a hearing or a roll-call at which a date will be decided upon to hear Host's application. It has been challenged by several existing operators at the Quebec airports on the basis that the entry of Host into this limited market will increase competition unduly.

Several questions arise as a result of this particular contract. First, why did Host apply so late for the Quebec licence? Assuming the Host contract was signed and is to be valid for three years, one must ask whether the department's legal branch was aware that paragraph 13 of the agreement which I quoted earlier was not complied with. One might ask whether the legal branch was aware of all the activities in this area undertaken by the department's marketing branch.

Assuming the contract was not signed, which one would doubt, one must ask what is happening in the present situation. We know that Host, which is ranked third at all airports where it won the tender, came in first place in the domestic category and in third place in the overall ranking. The three divisions are open, domestic and local. It now sits empty at these airports in Quebec. Tilden, which is now in fourth place, sits beside an empty counter and it is no secret than Tilden covets third place at the Quebec airports. Since the minister announced the details of the new airport car rental policy on June 13 the situation has been a total fiasco. It is certainly indicative of the incompetent and shabby manner in which the government has dealt with other issues. It has certainly not handled this policy in a competent way.

A number of questions have been raised in the House by supporters of the government as to the manner in which these particular contracts are awarded and administered. There was an appeal from the Committee for an Independent Canada, for example.

[The Acting Speaker (Mr. Ethier).]

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member, but his allotted time has expired.

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, on listening to the question from my colleague, the hon. member for Vegreville (Mr. Mazankowski), I think he has answered in part his own question by explaining in detail the regulations for obtaining a licence to operate a rent-a-car business in the province of Quebec. He asked why the application to the Quebec Board was made in February and not in January. This question could be put to Host Rent-a-Car because they should have known, before submitting their application to the federal agency, that they should go to the provincial transport commission to obtain a permit from the province of Quebec. They did not do that, it seems, before February.

Mr. Mazankowski: Why was the contract awarded, then?

Mr. Dupras: It is up to the applicant to make sure he has such a permit.

Mr. Mazankowski: It is up to the Department of Transport.

Mr. Dupras: It is not up to the transport board or the department to ascertain whether an applicant has a permit or not. It is up to the applicant to make sure he has such a permit. They failed to do that before February. The hon. member has answered his question. Host Rent-a-Car have been unable to obtain a licence as yet, but nevertheless they have executed their concession agreements for these airports. As a result, they are responsible for the payment of all concession fees.

Mr. Mazankowski: What was the Department of Transport doing all this time?

Mr. Dupras: They are also reponsible for the rentals required by the terms of these agreements. Actions are being taken to ensure that Host Rent-a-Car complies with these agreements.

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

The Acting Speaker (Mr. Ethier): I regret to inform any hon. member that at this time no point of order can be accepted.

Mr. Mazankowski: I wanted to indicate to the House that I was only allowed five minutes and 48 seconds to present my case.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Saskatoon-Biggar (Mr. Hnatyshyn).

ATOMIC ENERGY OF CANADA LIMITED—STATEMENT CONCERNING ESTABLISHMENT OF PLANT TO PRODUCE PLUTONIUM—GOVERNMENT ACTION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, in the seven minutes I have available to me—

Mr. Mazankowski: And not five minutes and 48 seconds.

Mr. Hnatyshyn: —I wanted to raise a question this evening with respect to a rather strange difference of opinion, according to reports which we are receiving both in the House and outside the House, which exists between Atomic Energy of Canada, Ltd. and the government of Canada. Today I asked a question of the Prime Minister (Mr. Trudeau) with respect to statements by senior officials of AECL. Questions were raised by the hon. member for Northumberland-Durham (Mr. Lawrence) and questions were raised in the course of the press conference which the Prime Minister holds on a weekly basis. The Prime Minister in his answers appears to take the position that no commitment was made with respect to the construction of a plutonium reprocessing plant in Ontario.

I would like to refer to the debate on the question which was raised by my colleague on May 26, 1977, as reported in *Hansard* at page 5958, which reads:

> In view of the previously expressed government policy, expressed by the Prime Minister himself in this House as late as May 17 last, relating to the undesirability of having in Canada or anywhere in the world plutonium reprocessing plants, I ask, why is the government permitting AECL, a Crown corporation, to engage in an expensive study for the building of a $1.5 billion plutonium extraction plant in Ontario?

The Prime Minister in his response indicated, in effect, that the matter was still under consideration; but he was pressed by the hon. member for Northumberland-Durham who quoted the Prime Minister as saying on May 12 last:

● (2210)

> "Much of our safeguards position centres around the undesirability of having reprocessing plants. President Carter was stating the view we had already stated many times".

That is the Prime Minister's statement quoted by the hon. member for Northumberland-Durham. Subsequently he was asked by the same hon. member whether or not the news we hear about the plant are true, and the Prime Minister said he was going to check with the Minister of Energy, Mines and Resources (Mr. Gillespie) to determine exactly what was the situation.

At the press conference later in the day the Prime Minister was asked the following question by one of the participants:

> You seemed a bit taken aback in the Commons today when you were asked about reprocessing of nuclear wastes in Ontario. Have you now got clarificaton and can you now give a clear statement that there will not be reprocessing of nuclear material and the making of plutonium in Ontario?

The Prime Minister sloughed off that question by simply saying there was misinformation, that the question was not an accurate statement of the facts and that the matter is still under consideration.

After all this has taken place, we have the unusual prospect of senior officials of AECL coming forward at a press conference called by themselves and stating that they think it would be inappropriate to draw plans for a pilot plutonium plant despite government opposition. As quoted at this press conference the officials said:

> . . . this policy was "out of kilter" with the need to extend uranium resources by reclycling spent fuel into plutonium, which could then be used with thorium to generate more power in existing Canadian reactors.

I go along with my colleague, the hon. member for Northumberland-Durham, that there seems to be a distinct contradiction between the position taken by AECL and taken by the government both inside and outside the House.

What I would like the parliamentary secretary to tell us tonight is precisely what is the government's policy with respect to this matter, why is there a contradiction, and what is the responsibility of the minister with respect to the position taken by AECL, a Crown corporation which has been in the news quite a bit recently with respect to unilateral decision-making, without cabinet or ministerial consultation.

I need only talk about the question of the payment of agent's fees in foreign countries for the sale of CANDU reactors. So far as I can make out, the cabinet was completely oblivious to what was going on, not considering it to be a type of policy worthy of cabinet consideration. That seems to be the tendency in this government. They think that by virtue of the delegation of responsibilities to Crown corporations in important policy areas they are somehow absolved of any responsibility on matters of great importance to present and future generations of Canadians.

In my view this is an untenable position for the government to take. If they are not on top of the issues, they are simply being derelict in their duties. I think the parliamentary secretary has the responsibility to tell us whether these officials in the Crown corporations consult the government on policy decisions or whether this government simply allows them to make our nuclear policy without any responsibility or accountability. We know what the examples have been when the AECL has come before the Standing Committee on Public Accounts to answer questions regarding what has happened in their foreign transactions involving CANDU reactors. They have not co-operated as they should have in a committee of the House. I think the parliamentary secretary should give us some explanation of what the relationship is between the minister and officials of AECL with respect to policy in this important area.

Adjournment Debate

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, that is exactly what I will attempt to do. I will attempt to give my hon. colleague an answer which I hope will satisfy him.

AECL held a background briefing for the press on May 27 for the purpose of releasing a document commenting on the brief presented earlier that day by the Coalition for Nuclear Responsibility to the Minister of Energy, Mines and Resources (Mr. Gillespie). At the AECL briefing questions were asked regarding news reports of the February 28 AECL seminar for federal government officials. To clarify the position, the following facts were made clear to the reporters present.

The "once through" cycle in today's CANDU reactors uses natural uranium which is not a weapons usable material. When the fuel is taken out of the reactor, it contains plutonium which is a weapons usable material, but this is widely dispersed throughout the spent fuel, and in the dilute form it presents no risk of diversion and is in any event so radioactive that theft is impossible.

It has always been recognized that uranium supplies are limited and that, if full use of the fission process is to be made, other cycles than "once through" must be employed. Most of the countries with advanced nuclear programs therefore have embarked on programs to extract the plutonium from used fuel and re-use it in a fast reactor; for example, one which burns plutonium and at the same time generates more plutonium which can be extracted and made into more fuel. The United States has now deferred further work on the commercial development of this system on the ground that the existence of weapons usable material in quantity and in numerous places could lead to misuse for weapons purposes.

Canada has no need ever to develop a plutonium fuelled fast breeder reactor, as the CANDU reactor in its present cycle makes more efficient use of uranium than the other types of reactors in use and also has the ability to utilize a thorium cycle with a near breeder capability. Thorium is even more abundant than uranium in the earth's crust. It cannot be used directly for fuel as uranium is, but it can be made into a fuel by putting it into a reactor along with a few per cent of enriched uranium or plutonium which then energizes the thorium to make it a nuclear fuel.

There is a misconception that the U.S. government has withdrawn all support for fuel cycle development. At his press conference of April 7, 1977, President Carter laid down the following policy:

> We will continue research and development, but shift away from plutonium, defer dependence on the breeder reactor for commercial use.
>
> We will direct funding of U.S. nuclear research and development programs to accelerate our research into alternative nuclear fuel cycles which do not involve direct access to materials that can be used for nuclear weapons.

One such cycle which is attracting the attention of the U.S. is the CANDU thorium cycle. We expect to be working closely with the U.S. to examine ways of exploiting the benefits of this new resource, thorium, while minimizing the potential for diversion of weapons usable material.

I hope I have reassured the hon. member on the use of plutonium and thorium.

Mr. Hnatyshyn: Regretfully, no.

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

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

HOUSE OF COMMONS

Tuesday, May 31, 1977

The House met at 11 a.m.

• (1110)

GOVERNMENT ORDERS

[*English*]

AIR CANADA ACT, 1976

MEASURE RESPECTING REORGANIZATION OF AIR CANADA

The House resumed from Friday, May 27, consideration of the motion of Mr. Lang that Bill C-17, respecting the reorganization of Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Arnold Malone (Battle River): Mr. Speaker, I began speaking on Bill C-17 on Friday, May 27, and I consider the present opportunity to continue my remarks a privilege. I am pleased to speak this morning, but was not pleased to note the contents of Bill C-17 dealing with the reorganization of Air Canada. The bill would give the cabinet almost total control of Air Canada, and this raises some serious questions. Since many of us doubt this government's capacity to govern, we must ask, what will be the future of Air Canada? One could not ask this question at a more appropriate time, since this year Air Canada celebrates the fortieth year of its founding. Now the government, as precipitate as an unguided missile, wants to remove Air Canada from the control of CNR. It is on a false course. The government says it will rid Air Canada of its debt load; in other words, it is responding to what Air Canada officials have not been saying, that the airline could make a profit if relieved of the burden of debt. But that is the song of many Crown corporations: they say, "We could make a profit if only we could be free of the rules governing private industry". They want the taxpayer to assume their debts, or their interest charges. They say that if only they were relieved of those burdens, they could make a profit. I shall put before the House figures to show that Air Canada is operating at a loss, and at the same time operating under rules and conditions not available to any other private air carrier on this continent.

Bill C-17 is designed to relieve Air Canada of its debt carrying charges and to give the governor in council direct control of the airline. It is the opinion of Air Canada officials that the airline could show a profit if it were relieved of interest charges on debt. This is just another example of a Crown corporation telling Canadians it could compete with private industry if only it were not forced to abide by the rules governing the private sector. In truth, Air Canada has a heavy debt load for one good reason, gross mismanagement. The former minister of transport, Hon. Jean Marchand, surely must have had Air Canada in mind when he said the Department of Transport was in a mess.

Air Canada has been awarded the most lucrative routes in this country. I am thinking, for example, of the Toronto-Ottawa-Montreal triangle. Many members of parliament fly one of these routes almost weekly and they cannot help observing, I suggest, that flights in the Toronto-Ottawa-Montreal triangle are virtually filled. Yet on those very flights Air Canada managed to lose almost $19 million last year, for some unknown reason. The aircraft were full, but the airline managed to lose money. I say without hesitation that Air Canada robs one of our major private airlines, CP Air, of the opportunity for lucrative runs in this country. Air Canada lost $19 million on the Toronto-Ottawa-Montreal triangle. CP Air also lost money in the last two years. But we should note two things. The amount of loss was not nearly as significant as Air Canada's. Also, CP Air has been awarded less lucrative routes in Canada, whereas Air Canada has been awarded more lucrative runs from which it should show a profit, not a loss. It lost more money than CP Air.

Compare Air Canada's performance, Mr. Speaker, with that of any major United States airline. What will you find? You will note that virtually every major United States airline made a profit last year. By contrast, Canada's national airline last year ran up some $20 million of debt; and that debt does not include losses incurred with respect to the operation of our airports. If you add our airport debt to that incurred by Air Canada, lump the two together and call them Canada's national air debt, you will arrive at an astronomical figure. Mirabel alone lost $56 million last year. This country lost $110 million on that abortion at Pickering, on that project which put public money through a paper-shredder. The authorities attempted to build an airport where one should never have been built. Our airports have lost millions of dollars. That raises this question: If the government has not the capacity to run airports, has it the capacity to run an airline?

Bill C-17 would vest control of Air Canada in the government. The intention is to sever the airline from its parent Crown corporation, CNR, and place it under the direct control of the Ministry of Transport. Mr. Speaker, a decade ago this country's Post Office showed a profit. Last year the Post Office spilled public money, running up a deficit of $700 million. If one compares the record of Crown corporations, of government administered businesses, with that of corporations in the private sector, one thing becomes clear: their performance is in no way comparable. In almost all instances Crown

corporations have run up losses. They have been an albatross around the neck of the taxpayers.

If a private company loses money for an extended time, it goes out of business or is taken over by a competitor. The Post Office managed to turn its previous profit into a loss last year of $700 million. The question is: Do we want the mentality which runs the Post Office to run the operation of this nation's airline? Is that how we want our airline administered? At present, the prospect of an ugly Post Office strike looms like a shadow over the public. There is also the prospect of a Post Office deficit larger than last year's $700 million. In years to come the Post Office could lose much more money. We have in this country some 1,200 state-owned businesses which cost this country's taxpayers $21 billion. Since our population is around 23 million, it is fairly simple to calculate how much it costs the average Canadian to run these state-owned businesses in Canada.

● (1120)

While Air Canada is a malignant debt on the public, the United States airlines south of the border operate at a profit and with better service. It is also interesting to note that in the United States luggage usually arrives on the same plane as the person. Northwestern Airlines, a privately-owned United States company with a similar amount of capital, a similar number of planes and a similar number of miles flown on routes as Air Canada, earned a profit last year of $100 million. By comparison, Air Canada in that same period showed a net loss of $20 million. As I said before, it is simply an albatross around the neck of the Canadian people.

The big difference between Air Canada and Northwest Airlines in the United States is that Air Canada has almost double the staff. That reflects the crux of the whole issue. When you think of the psychological mentality of the civil servants, or the staff in the Crown corporations, you see that their reward is quite different from that of the private sector. When you work in the public service you are rewarded for dreaming up a new idea. If that idea means that somehow more money can be spent, you are rewarded. That is how you get to go from a clerk 1 to a clerk 2 to clerk 3 to clerk 5. That is the way you go up in the branch from supervisor to director to associate deputy minister and on through the chain of command.

In the private sector, there is a very different kind of reward. In the private sector you must demonstrate some form of efficiency in order to work your way up. So it is that on one hand we have an airline virtually the same size, with the same capital investment, the same number of miles flown, and the same number of planes as Air Canada, with a $100 million profit while the state-owned Air Canada has a $20 million deficit hanging around its neck.

This makes us wonder about the whole question of government getting more and more deeply into the private sector, which Bill C-17 intends to do with Air Canada by putting it under direct control of the cabinet. One truly has to ponder the wisdom of that when you look at the $8 billion committed to the PetroCan nightmare. Imagine the full intent of the government of Canada running the grease-racks of this nation, intending to be a gasoline jockey. It is another example of an exorbitant imagination run wild with the taxpayers' purse. What they should be doing is giving incentives to the search for new sources of hydrocarbon energy. While that is necessary in this country, they established a company called PetroCan which has the capacity to go all the way to the street level, setting up service stations called PetroCanada.

We now have the potential of government-owned gasoline stations operating the corner gasoline service bars. The simple question is often put: Will gasoline stations now be run like the Post Office? The fundamental question has to be: Does the government, by the very nature of its claim of motivation, have the capacity to be able to operate something in an efficient and jurisprudent manner? When the government thinks up a new airport, it in fact thinks up a new debt. Pickering ran up a $110 million debt and ran it through the paper-shredder. We look at Mirabel and Pickering airports which are, respectively, 88,000 and 18,000 acres of prime agricultural land that have been destroyed in this country. This is simply because of a lack of foresight by those in the transportation department who plan the airport sites. I cannot pass by that comment without mentioning that virtually all across Canada, wherever an airport has been set down it has destroyed large tracts of agricultural land. The airport in Edmonton, Alberta, is built on some of this country's highest quality soil.

As a smaller example, but a very important one, for the satellite airport north of Edmonton, at Villeneuve, there were three sites chosen as being acceptable. They narrowed the three sites down to two. In one of the remaining two they noted that the 4,145 acres recommended for the airport site was on class five and class six soil. I might add that class six soil implies non-improvable, permanent pasture. The other was 45 per cent class one and 50 percent class two soil. In other words the finest classes of soil that we have in this country. The only difference was that one site, the one with the better class soil, was three miles closer to the city. As can be imagined, the Department of Transport, in its wisdom, opted for the site with the highest quality soil, regardless of the fact that Canada today is a net importer of food, coupled with the fact that there are only two sources of food in this world, soil and water. It should be pointed out that today in Canada we are very rapidly destroying our agricultural land. One of the prime sources of that is airport development, industrial development, much of which is linked to transport systems, and certainly airports and airport byways.

The highest growth rate of Air Canada has to be its debt load. If you look at an analysis of the statistics on various bits of information that come out of Air Canada, you will see that nothing in recent years has had a higher percentage increase than the debt and debt interest load of that particular business. We have a bill before the House now asking us to free the debt charges and to put Air Canada under more direct control of the Department of Transport. We have to question very strongly the wisdom of such a move in view of the past record

of this government. Almost any Crown corporation we want to examine shows that the net result is a net loss.

If we compare the Crown corporations with the private sector in not only this country but in the United States and other countries where there are industries of comparable size and capital input, we see that in virtually every case the Crown corporation operates at less profit or—and this is so in the majority of cases—at a net loss. The Prime Minister (Mr. Trudeau) something in excess of a year ago told the Canadian people that the market place no longer works. I suspect there is probably some degree of truth in that statement because he has interfered with the rules of the marketplace.

When speaking on Bill C-17, the Minister of Transport (Mr. Lang) said that this bill will allow for more direct government control over Air Canada. Naturally we are not going to have the situation where the marketplace is going to work. The government is moving more and more into direct competition, stealing the routes from the private sector such as CP Air.

I heard the voices of the NDP shouting across the chamber a few moments ago when talking about CP Air. It is true that CP Air did operate at a loss. One of the major reasons was that Air Canada stole the most lucrative routes, leaving the shavings for the private sector. That is the major reason we do not have a profitable airline industry in this country such as we see in the United States.

We have to wonder about how the government can run an airline, when we do not even have the respective efficiency coming from the minister. The Minister of Transport did not mind spending $750,000 a year for private jets "Lang Air" tripping across the nation. This is the same minister who wants to run the whole airline, picking up the debt for the airports, for the airplanes, the whole works.

● (1130)

We note the story in the Montreal *Gazette* that Canadian Pacific may have to sell its air operation. One of the reasons it may have to sell that air operation I have already alluded to, and that is the fact that by the very way in which the Transport Commission in this country establishes air routes it is a known fact to any one who has investigated this situation that CP Air does not operate on the same kind of lucrative routes as Air Canada. If anyone doubts that, I challenge them to travel the triangle from Montreal to Toronto to Ottawa and note that virtually every time you board a plane those planes are running at full capacity.

If any other private sector airline were to operate at such a lucrative capacity in such a lucrative region, they would turn an enormous profit. Yet in that very region just a year ago Air Canada lost $19 million of the taxpayers' money. It goes back to a comparison between Air Canada and Northwest Airlines, two airlines of similar size, and what do we see? On the one hand we see a private sector airline operating at a $100 million profit, and Air Canada operating at a $20 million deficit. That is the kind of difference we have because in Canada the distinguishing fact is that Air Canada has double the staff. That is the nature of the public service. The public service has a tendency to have a malignant growth upon itself. As a new person develops a new idea, it requires another person to develop the idea, who in turn develops a new idea. The first thing you know, you have a staff out of control. That is true of the whole bureaucracy here in Ottawa; we have witnessed in the past eight to ten years something like a 360 per cent increase in federal government expenditures for the staffing of the public service.

I concede that part of the reason for loss is that we have had some major increases in fuel costs. But that does not take away from the fact that there are airlines companies in the world with the same increases in fuel costs which are operating at a profit. I think what it does point out, however, is that if fuel costs is one of the excuses Air Canada is going to use for its loss situation, then one of the things the government ought to be doing now is coming forward with a program for the discovery of new sources of energy so that we do not have to have the high debt overload on transportation. The other fact that should have been woven into this whole scheme of things is that the government, in its lack of wisdom, chose to toss out support for urban transportation, something that had it gone ahead with in its 1974 election promise to such cities as Vancouver, Toronto, Montreal and other major cities, there would have been a great step forward in terms of fuel economy and fuel saving. In the long run, this would have left more hydrocarbon fuel available for those instruments of transportation that in fact require that kind of fuel, such as airlines and so forth.

Air Canada, then, we see, has twice the staff of its counterpart airlines. While we have used the one example of Northwest Airlines, a similar comparison could be made with numerous other airlines throughout the world. I would simply say that if Orville and Wilbur Wright were here, they certainly would be aghast to see what is happening to the airline industry, noticing that it has been requested to go under the jurisdiction of the Ministry of Transport which really, in its lack of wisdom, has not had the capacity to manage anything and show an operational profit.

In conclusion, I think the one thing we can say about Bill C-17 is that its only sure guarantee is that there is going to be an ever-increasing tax burden upon the Canadian public for flight services in this country, because it is not going to be possible to operate an airline to demonstrate efficiency as long as it comes under the direction of governor in council kind of direction, because it will have a lack of direction in its policies, and I think the government is moving in precisely the opposite direction to where it ought to be going. It is diametrically opposed to what it ought to be doing. Air Canada was previously under the jurisdiction of the CNR and, if anything, what it ought to have been told to do was to get even a step further remote from government and to demonstrate it could operate its lines at an efficient cost.

That does not mean, of course, for a single moment, should someone on the other side intend to respond by saying that would mean that certain communities are not serviced, because we know that previously there have been airlines in

Canada, not Air Canada, servicing Frobisher Bay and all parts of the Arctic. These have been privately-owned airlines. More recently, while PWA has been taken over by the province of Alberta, the fact remains that that airline operates very much on business principles, is much more remote from government itself and has in fact demonstrated, and continues to demonstrate, that it is an airline which can operate at a profit.

Air Canada, it is now being suggested, should come under the direct thumb of government, and all we are about to witness is a guaranteed loss of taxpayers' funds because the whole modus of government is different from that of the private sector. It is just another example of running at full speed 180 degrees in the opposite direction to what a sensible policy should have been. The government will not, in the years to come, be able to look back and show any kind of benefit at all from this most unfortunate bill which has been placed before the Commons.

Mr. Lang: You did not read my speech.

Mr. Malone: I have read your speech, sir. It was tough reading, but I got through it. It does not make very much sense. We will let the minister speak now, because he has some challenges he needs to respond to. I shall be pleased to see whether he has the courage to do so.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I am glad to participate in the second reading debate on Bill C-17, the Air Canada Act. It is most appropriate that at long last we should have before us a bill dealing specifically with Air Canada, particularly in view of the fact that this, I gather, is the fortieth anniversary of the creation of Air Canada. So it is a sort of birthday present, in a sense, to Air Canada or to the taxpayers of Canada; I am not sure which.

When I had birthdays years ago, before I stopped counting them, there was always a glorious cake with icing and, sometimes, little tokens in the cake. Sometimes you bit your teeth on them, but you hoped to get a token or a trinket. In view of the fact that we are debating this bill today under the rule which restricts the length of speeches and, ironically, at a time when the Transport Committee is on tour in Atlantic Canada dealing particularly with ports in Atlantic Canada, it may not be possible to get far below the frosting on the cake to see what the trinkets and tokens are in the cake until the measure goes to committee.

● (1140)

I understand there is some disposition to move this bill on to committee, and I also understand from my hon. friend from Battle River (Mr. Malone) that the minister earlier, vaguely in public but perhaps more substantively in private, gave some assurances that amendments will be made in committee which hopefully will take care of some of the objections raised to this bill.

Bill C-17 represents really the first fundamental change in the structure of Air Canada since 1937. Perhaps more relevant than this is the fact that the officials of Air Canada have not appeared before the transportation committee since 1973, which is another reason why this bill should move quickly into committee. Many matters should be ventilated. We are all aware of the recent royal commission on the financial arrangements of Air Canada and the report of Judge Estey, which raises many questions which have to be answered and which this bill fails to answer. In fact, in some areas the bill seems almost to avoid definite recommendations made by Judge Estey.

As many have said, this is the fortieth anniversary of Air Canada, the national flagship of this country. In the past, Air Canada has earned in a most objective way more praise and kudos than any objective observer can claim it earns today. A few years ago, when I was almost knee high to a grasshopper, I heard it said that Trans-Canada Airlines, as it was then, was one of the best airlines in the air but often was the despair of those on the ground in regard to personnel relations and service. For example, it was said you could not get information from the airline, and there were many other areas of customer and personnel discontent. Its safety record has been one of the best in the world. Any debate about Air Canada either in the House or in committee must acknowledge that tremendous credit is due and tribute should be paid to the professionals in Air Canada who have maintained this fantastically high safety record which, as I say, compares most favourably with that of any other airline.

Perhaps one of the dangers I see in the bill is that it almost contradicts some of the recommendations made by Judge Estey to alter the structure of Air Canada so as to make it more independent and more professional. As others have said, rather than make Air Canada more professional this bill potentially could make it more political. I do not think any hon. member would agree that the professionalism of Air Canada should be subordinated to political matters which could affect adversely the enviable record of professionalism which Air Canada has in the air.

I am not going into some of the topical questions which have to be debated and assessed. I am not going to talk about control of Air Canada, a matter which this House will eventually have to deal with. I am talking about the very structure of Air Canada in terms of its management and administration. One can trace on a graph just what happened when the present government changed the administrative structure of Air Canada. Although we were very conscious of the bicultural nature of Canada, almost out of the blue the government decided to appoint not only a chairman of the board but a president-executive officer of the company. Prior thereto one officer, in effect, directed the affairs of Air Canada. Although there must always be ministerial responsibility in terms of definition of national policy, he was the person to whom we looked to run Air Canada, just as we knew who was running Canadian Pacific. Today Air Canada is one of the major corporations in the country.

As I say, only a few years ago Air Canada's structure was changed and two executive offices were created. I would suggest—and I do so objectively—that some of the problems

of morale and confusion in transmitting directions to those further down the totem pole can be traced to those appointments, let alone some of the events which occurred afterwards when there was almost a housecleaning among a lot of competent senior officers in Air Canada. In the result, a whole pyramid of vice-presidents of this and vice-presidents of that was created which diluted the central executive command which theretofore had pretty well been under the control of one man who ran a corporation Canadians were proud of.

Looking at Bill C-17, Mr. Speaker, I am afraid that we are now compounding the problem. Instead of having just the chairman of the board—whatever his duties will be, frankly, is somewhat vague—and/or the president-executive officer of the company, whatever his duties may be, it is clear from the bill that you are adding a third party, the governor in council, who is really the minister.

You and I, Mr. Speaker, and other members of the chamber are not that far removed from the period when a few years ago the United Nations tried to change its structure. At that time a fellow called Khrushchev came from Moscow, banged his shoe on the table and wanted to create a troika. He thought that was the way the United Nations should be run so as to represent the people of the world. Instead of one executive officer of the United Nations, the secretary-general, he suggested a troika.

I am apprehensive that under this bill, in the absence of any definition or amendment, in effect there will be a troika consisting of the chairman of the board, the president-executive officer, and the minister who could very well give directions as to the day to day operation of the airline. I think that this would be a retrograde step. I do not want to deal in personalities, and the minister has certainly shown expertise in the use of aircraft. However, I do not think there is any member on either side who has the expertise or competence to start meddling, even indirectly, in the day to day operations of the airline.

This underlines what occurred a few years ago when the government appointed the two officers to whom I have referred. Up until that time Air Canada had been headed by one officer. We are now adding a third in the form of the minister. Although three horses draw sleds in the steppes of Russia, I do not think in organizations troikas have ever worked effectively, certainly not in a complex and complicated undertaking like the national airline of Canada. I am hoping that either in this debate or in committee the minister will give an indication of the kinds of amendments he intends to move so that my apprehensions about this three-headed monster will be removed. The cabinet, in terms of national policies, directives and roles, obviously has to give direction. Almost in any bill there is power for the governor in council to define national goals to which any Crown corporation should adhere.

● (1150)

In its present form, this bill takes Air Canada away from the umbrella of the railways. It is a healthy step toward giving it some identity of its own in a structural way and in a legislative way, but I seriously question removing it from the over-all umbrella of Canadian National and its legislation. In effect, it is being set up as a true Crown corporation and you are not giving it the independence and confidence which the Glassco commission recommended. In effect, you are not giving it the independence and the confidence which Judge Estey recently said the board of directors of Air Canada should have. It is being put into cabinet and right on the minister's table. That is a retrograde step which has to be corrected, as far as I am concerned. I mentioned the troika in terms of executive control. It is a fundamental contradiction when you have three people with executive control. Executive control is non-existent in that situation; you have executive confusion or you have executive dilution to the point where there is no direction. Every person in Air Canada, from the lowest generic flight attendant to the top of the totem pole, wants direction from the executive officer and wants a structure which those persons know who are running Air Canada.

I will not continue ad infinitum, because this House will be debating Bill C-33, the bill amending the National Transportation Act, as well as Bill C-43, the bill amending the communications legislation. I will not repeat here what is obviously going to be said ad infinitum at that time. Under the MacLean commission on transportation in 1903, the railway rates commission was established. At that time it said that transportation and the railways were getting a little too complicated and complex. It recommended that railway rates had to be removed from the variable, unstable atmosphere of the politician who comes and goes at election time or in terms of cabinet ministers. At this time that is obvious in the present cabinet, where ministers come and go in terms of cabinet shuffles. In other words, a minister is giving directions on a day to day basis in terms of something as complex as Air Canada; then comes a cabinet shuffle and he changes to another portfolio; his executive assistant changes to another portfolio, and invariably the deputy minister changes after one or two years. That is no way to run a railway or an airline.

Judge Estey said, in more legalistic terms than I am prepared to do, that Air Canada's board of directors is long overdue and it is just a politicial plum handed out to friends of the party in power. This was also said by the Glassco commission. Judge Estey also said that the directors should have their duties defined and should be appointed for fixed terms under statute, so that they could not be removed by an angry government which did not like what they decided. He also said that they should have some prescribed qualifications because it is a very complicated and complex business. One only has to read the stock pages of the newspapers to realize airlines in the private sector, let alone airlines in the public sector, are having to hustle for every client dollar. Yet they do not have effective hustling because their boards of directors are appointed in the same manner as in Sir John A. Macdonald's days. It is just a ministerial or cabinet plum, with no relationship whatsoever to knowledge or expertise in any facet of transportation, let alone any facet of the airline industry. I am not in a position to make many comments about the red chamber, but as far as I am

concerned there is no way I want the board of directors to be another form of the Senate under this bill, whereby political considerations outweigh any other consideration in those types of appointments.

The hon. member who just spoke before me mentioned the debt structure of Air Canada which is higher than any other airline. I know the hon. member for Central Nova (Mr. MacKay) will be making a few comments later in the debate about the auditing practices and the financial situation of Air Canada. Through persistent questions of his in this House, the government was forced to appoint a royal commission, the Estey commission, to assess and define some of the financial and audit arrangements of Air Canada.

I do not have to waste time now speaking about the freedom of information and the paradox of Crown corporations being financed by taxpayers' money. A member of parliament has difficulty getting information on any phase of the operation, but any member of the public can get that information at a Canadian Transport Commission hearing. If it had not been for the persistent questioning of a fellow by the name of Andrew Roman at the Canadian Transport Commission hearings on the 1974 annual report of Air Canada, none of us would have known.

The hon. member for Vegreville (Mr. Mazankowski) put questions on the order paper to find out the breakdown of the $20 million deficit of Air Canada in 1974. He was answered by the minister to the effect that that information could not be disclosed because it had a proprietary interest, and since other airlines did not have to disclose such information this would put Air Canada in an adverse position and poor Air Canada would not be able to compete. That was, in effect, the answer that was given.

An hon. Member: Shameful!

Mr. Nowlan: The words were along those lines, ad infinitum, ad nauseam. As my hon. friend says, that was a shameful answer from the then minister. I am not sure which minister it was because they have been playing musical chairs and ring around the rosey so much. Of course, the next game of musical chairs will occur in July, when this minister will most likely be shunted out. I do not know whether he will be given a wheat bin to sit in, but I am prepared to prognosticate that there will be a new minister of transport. I have the greatest personal admiration for the present Minister of Transport in terms of ministerial responsibility.

I heard some of the strange announcements by the minister the other day when he was making policy statements in the deep east. This was at a time when a parliamentary committee there was studying transport, when the CTC was studying transport and when the Sullivan commission was studying transport in all of Atlantic Canada. Suddenly out of the blue, like pulling tablets out of the sky, this minister, from on high, makes policy statements which sound fairly interesting until they are really looked at. In terms of information, I cannot see why a member of parliament cannot get what the commissioners will tell counsel before the Canadian Transport Commission by putting a proper question on the order paper.

• (1200)

That is how we found out that $19 million of the $20 million Air Canada lost in 1974 was lost between Montreal, Ottawa and Toronto. One might think that is the most lucrative run in Canada. A further breakdown of the figures showed that on the prairies Air Canada made a profit of $20 million. This examination took place before the Canadian Transport Commission; this knowledge did not become known through answers in this House or before the committee. Even in the Atlantic area, which is supposed to be a depressed area, Air Canada broke even. The $19 million loss occurred right here in the heartland between Ottawa, Montreal and Toronto. Thank goodness we had a persistent counsel before the commission hearings who got that information. That was an insult to parliament. The minister should never have signed the order saying that that information was not to be given to the hon. member for Vegreville.

I know my time is running out quickly because of the rule which shortens the time for speeches in order to expedite the business so that we can get this log jam over with and so that we might have some type of summer recess before different activities begin in the fall. I would like to talk very briefly about Air Canada and Atlantic Canada. Just because we produce sardines in Atlantic Canada, I do not understand why we should be treated like sardines when it comes to Air service. I refer to trips from Atlantic Canada to upper Canada and to the west.

I do not have the figures for this year or last year, but I think it was three years ago in the committee—without divulging cost figures—I was informed by officials of Air Canada that in Atlantic Canada, and I can understand this because of our geographic location, there was a higher density of passengers per air mile than in any other region of Canada because, frankly, more and more people were taking Air Canada. That was the only airline which effectively connected with upper Canada until Eastern Provincial Airlines started to give service into Montreal. However, if you want to go to Toronto, Ottawa or further west, you have to use Air Canada.

I cannot fly from Halifax to upper Canada without being jammed into a DC-9 for almost every flight. They land in Montreal before they get down to day to day operations. I was accusing the minister of perhaps not getting involved in day to day operations. As a member of parliament, I do not mind bringing up some of the practical problems which I as a member of the consuming, flying public, as well as thousands of others have experienced.

To me it is a complete paradox that we fly from Halifax in a DC-9 which is jammed tighter than any sardine can from Blacks Harbour. Blacks Harbour is where sardines are canned. People are shovelled and shoe-horned into these DC-9s, and they fly to Montreal, if that is the way they are connecting to another flight westward. They fly to Montreal, but they do not

land anywhere close to the terminal. They always land at the international section, gates 48, 49, 50, 51 or 52.

Mr. MacDonald (Cardigan): Or 56.

Mr. Nowlan: I know that the minister from Prince Edward Island has gone through this, as I have. To connect to Ottawa you have to trundle off from the international gate—I forget where the numbers start, but it could be anywhere from gate 46 to gate 56—and you get on the conveyor belt and go all the way to gates 1, 2 or 3. It is usually gate 5 or gate 6 where you get the Ottawa flight. I suppose the customers in Montreal find it difficult to walk out to gates 45, 52 or 56. All the passengers coming in with baggage, and all the senior citizens wanting to see upper Canada for the first time to have their eyes opened to the grand vista of upper Canada, get tired by the time they land at the international section of Air Canada and stagger through the treadmill. Usually, the conveyor belt underneath the tarmac is on the blink. That is not Air Canada's fault; the position of the aeroplane is Air Canada's fault.

Five years ago I travelled with the former Lieutenant-Governor of the province of Nova Scotia who had trouble walking because of a leg problem, and he said to me, "Good gracious, Pat; do we from Atlantic Canada always have to be treated as foreigners when we land at one of our own airports?"

Mr. Paproski: Air Canada doesn't care.

Mr. Nowlan: I do not think Air Canada cares. It is ironic that as you stumble off the conveyor belt and go up two flights of stairs to get to the terminal so that you can get back to gate 6, you walk by something called Express Air, and you wonder whether there really is something fast in this system. Express Air travels between Montreal and Toronto on the hour, every hour. You look out and see a DC-9. Anything bigger would not be needed on the hour, every hour after rush hour. Surely it is not that busy. You also see a stretched DC-8 sitting there. I have been on a stretched DC-8 when there have been 10, 20 or 30 passengers, at most, expressing from Montreal to Toronto or from Toronto to Montreal on that fast, vital service. That is one of the reasons $19 million of the $20 million deficit of 1974 was created by Air Canada while other parts of the country did not even receive minimum service. I have a long frame, and sometimes I can tuck into a DC-9 seat, but I do not see why we could not have more DC-8s. That would help. More scheduling is also needed.

I must, however, give Air Canada credit because fortunately there is now—at least in the off-season—one regular flight from Ottawa to Halifax, and vice versa. In the summer season there are two flights, and I cannot complain about that. I appreciate it very much and I know other people who fly quite a bit also appreciate it. However, this business of always flying the DC-9 and this problem with regard to the landing positions in Montreal could mean that many passengers will try to avoid Montreal like the plague. These things could be corrected with a few little administrative changes. As I say, just because we produce sardines, Air Canada seems to think we should be treated like sardines and I think that is too bad.

There are many other things that could be said about Air Canada. I could refer to the allocation of routes. Perhaps this bill will have some effect in that regard. The minister is from the west, and he is a man who makes speeches about the west from time to time. I would like to be fair to him, but I would like to have a look at the chronology of the last allocation. I think Senator Marchand was the minister at the time. The last allocation of routes between Air Canada and CP Air was based on one thing in terms of objectives in the communications industry, and that was to make sure CP Air would start to have deficits. There are many things which could be said about that.

I forget the numbers, but what happened to Air Canada when it got the plums is very graphic. CP Air got very few, and even the plums CP Air had were cut into by the alternative routes which were given to Air Canada. This cut into the markets which prior to that had been CP Air markets. I am sure some hon. members of the House will not agree, but I think it was a very progressive step—and I would like to see it extended in Atlantic Canada—when the right hon. member for Prince Albert (Mr. Diefenbaker) and the minister of transport of those days used some imagination and initiative and extended CP Air into many areas of Canada.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue, however, with unanimous consent. Does the hon. member have unanimous consent to continue?

Some hon. Members: Agreed.

Mr. Nowlan: Mr. Speaker, I will cut through all the other things I could have said. I appreciate the good manners of the House and I will not abuse this privilege. I have not been overly critical or political today. The minister knows that. But I would like to summarize what has happened to Air Canada compared with CP Air. I hope this bill will start to correct the situation. In the most basic human terms, I ask the minister perhaps some day to avoid taking a special plane and to get on the morning plane from Ottawa to Toronto. I am referring to the 7.10 a.m. or 7.20 a.m. flight. If the minister flies Air Canada he will get an expanded continental breakfast. He will get a little more than a soggy, heavy croissant. He will get rice crispies or perhaps cornflakes in a plastic cup, and sometimes there are two or three grapes. You get a little cup of juice and cornflakes with three grapes. What dietetic emancipation and imagination there is in some kitchen, putting in those three grapes! They must have an agreement with Caesar Chavez of California to help the grape industry. That is the only explanation I can find for the addition of those two or three hormones of fruit. You have the small cup of juice juice, cornflakes with the three grapes, and then the stewardess comes by and pours coffee and tea.

● (1210)

I cannot explain the reason for the difference, but when you fly by CP Air on the morning flight at about the same time—and the plane is full as anyone who has taken the flight

knows—you get a full breakfast, as good a breakfast as you would get in any hotel. You get juice, fresh fruit, scrambled eggs, bacon, sausage, and tea or coffee. You have the whole thing.

I should like to conclude with some generalities with which I opened my comments. Years ago, and still today, fortunately, Air Canada has been and is recognized as one of the best airlines from the point of view of air safety and air service, but ever since the change took place in the executive command of Air Canada three or four years ago, when they appointed two officers to reflect the bilingual duality of the land, a chairman of the board and an executive officer, the service to people on the ground has deteriorated. I am most apprehensive that when we add the third element, which this bill does, in effect, by giving direct cabinet control in the day to day operations, thus creating a troika, service will go down further.

Let me say, in conclusion, that this would perhaps be a precedent and I do not know how the minister would respond to it—frankly, I do not know whether there is a statutory prohibition—but we just had the Estey royal commission, the report of which was filed when this bill was introduced not too long ago. This bill was given first reading in October, 1976. The taxpayers paid for the royal commission which came up with a very good and objective report. Of course, the written word does convey certain things, but it seems to me that if we are to come up with the best form, organization and structure for Air Canada, perhaps the minister, the House and the committee when it is dealing with the bill should consider seriously calling in Judge Estey. He was a commissioner, now he is a judicial officer. He has made his report, and frankly I think that that study could give us a much better charter for Air Canada than does Bill C-17 at present.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I would like to follow on the comments of the hon. member for Annapolis Valley (Mr. Nowlan). I am sure we will all discover as the day goes on that many maritime members of parliament will want to participate in this debate because of the deep concern they all have over the deteriorating service that is presently made available to people in Atlantic Canada by Air Canada which is the base commercial airline available to our area and, unfortunately, because of government decision, the only airline that is available to our area to move our people between the Atlantic region and the rest of the nation. I have been having a running battle with officials of Air Canada in Altantic Canada over the rotten service—it could not be described in any other way—that is presently available to the patrons of that airline in our part of Canada.

Today, from the closest air terminal to my constituency in Moncton you either have to get up in the middle of the night in order to get to Ottawa or, if you do not take that flight or cannot get on it, you have to wait until the middle of the night again in order to catch another plane that will move you to this part of the country. I live some 40 miles from Moncton. The morning flight to Montreal and Ottawa leaves at 7.15 a.m., which means that in Amherst I have to get up at 5.30 in the morning in order to catch the plane. If I do not want to take that flight, then I have to wait until 7.20 p.m., a full 12 hours, before I can get another flight. If I have to come to Ottawa, I leave Moncton at 7.20 p.m., which is 6.20 p.m. Ottawa time, and I do not arrive in Ottawa until 10.30 p.m. If I am lucky and the connections are as they are supposed to be, I do not get into the kind of mix-up that I seem to experience every time I try to make the connection from Montreal to Ottawa.

It is nothing short of scandalous. It is the worst service that I can recall being made available to our area by Air Canada in any schedule, and especially during the summer months when there is the greatest demand for seats on the airline. I cannot imagine how Air Canada can co-ordinate its present flight schedule with the extra demand from people who want to go to the Maritimes at least in the summer time to enjoy the recreational facilities we have available to all Canadians which are second to none in North America. Yet Air Canada does absolutely nothing to give any kind of service that would assist in any way the tourist industry in our part of Canada which is so vital to our over-all economic prospects for the future.

There seems to be some kind of syndrome in the Air Canada head office which determines that schedules for Atlantic Canada are like the tail on the donkey. You pin it on after you have prepared timetables for everywhere else to everybody else's satisfaction. It is almost like the case of blind-man's-buff. You never know now where the tail will be pinned or what kinds of atrocities they will commit against the travelling public which happens to be located in Atlantic Canada either permanently or as travellers.

I do not understand the philosophy of Air Canada nor the government's philosophy. If we are to assist in overcoming regional economic disparity, then surely we must develop a system which will make it easier for our businessmen to move between Atlantic Canada and the central region of this country as well as other parts of the country. Yet they put every kind of roadblock in our way in getting our businessmen out of the region and other businessmen into the region. Therefore, the degree of frustration toward Air Canada, and indirectly toward the government, that results from this is hard to imagine unless you happen to live in Atlantic Canada and have to put up with the inconveniences that seem almost like a conspiracy against our area so far as air travel is concerned.

A few years ago I attended commission hearings at which Canadian Pacific made an effort to try to secure a line between eastern Toronto and Halifax or Montreal and Halifax to give some competition to Air Canada. Unfortunately, this was denied. I say "unfortunately" because what happened as a result of Canadian Pacific Airlines being denied even one flight into and out of the region was that Air Canada was given virtually a monopoly to do what it wanted, whether we liked it or not. Every time a complaint is made we get a put down from the airlines as a response. In effect, they are saying, "You take what we give you, like it or not. We could not care less, because we are in command. You are going to fly with us or not fly at all."

• (1220)

The only half decent service that is available to the Atlantic provinces is provided by Eastern Provincial Airways, but unfortunately the schedules they are forced to use make you feel like a yo-yo: you go up and down all the time. They do not even have time to serve tea or coffee. Direct routing between the Atlantic provinces and Montreal has been denied the airline. At the same time, Air Canada incurs multi-million dollar deficits which it uses as an excuse for not allowing any other airline to compete. So we have to put up with EPA, with its up and down schedule, or with Air Canada that only flies in the middle of the night, between midnight and 7 a.m. or between 7 p.m. and midnight. Nothing happens through the day at all. That is a terrible schedule to inflict upon an area. It makes me wonder what the employees of Air Canada do. In Moncton, for instance, there is nothing to do between 7 a.m. and 7 p.m. because there are no flights.

I must say, however, that the Air Canada employees give every assistance with the flights that are available. I have nothing but good to say of my contacts with them. Their public relations are very good because they really have nothing to sell. They have learned how to say no very nicely. I must also give credit to Air Canada for their baggage handling. I have seldom encountered a problem in this respect when travelling with Air Canada, which is amazing when you consider the amount of baggage that is moved. I think they deserve special commendation for the efficient way they do the job.

I must say, however, that it is significant that in Atlantic Canada we are the last to get new planes. I have not seen anything but a DC-9 for so long that I wonder if Air Canada has any other kind of aircraft. Atlantic Canada suffers from the central Canada syndrome that the best must be used between Montreal and Toronto, and nowhere else. The L-1011 was used for a little while in the area, but suddenly it was removed and the DC-9 put back in service. Sometimes I wonder that they do not send us back to the Viscount. Everything else in Air Canada's service has gone backwards in our area, so we will probably end up with aircraft that are in mothballs at the moment.

I would like to remind the minister that there is no time like the present to make Canadians feel it is worth-while to be part of this country, but so long as Air Canada provides the kind of service we have at present we will always feel neglected. It is only after everyone else is served that we can hope for improvement. Mr. Speaker, I want to point out that the air terminal at Charlottetown must be the worst in Canada. For a long time there has been talk of a new terminal, but nothing has happened. It is nothing short of a national scandal that one of our provincial capitals has such a lousy airport. But that is the kind of treatment we have come to expect.

It is hard to believe that the government is serious about ever providing us with something that is comparable to the rest of the country. We face a tourist season, but we still have terrible schedules and a rundown terminal. I would ask the minister to do something to improve conditions and provide us with a schedule as good as that in any other part of the country. The present one is the worst we have had for 20 years. We are almost back to the days of Lindbergh. It is time the government stepped in and told Air Canada to provide Atlantic Canada with air service comparable to what is available in other parts of the country.

• (1230)

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I listened with interest to speeches made in this debate and have read, as well, what my colleagues said in this House. The government is bringing forward a constructive measure, in principle. Many of the things I want to say have already been said by others, perhaps better than I can say them. However, I was troubled about the government's delay in bringing this legislation forward.

Now that the Bill C-17 is before the House, neither I nor my party intend to delay passage to committee. It seems to me that Parliament has already wasted a number of years. The former minister of transport who is now Secretary of State for External Affairs (Mr. Jamieson), said in March, 1972 that we needed this legislation. Since then much has happened in the country and to Air Canada, but it is good to see this bill at last dealing with some of the questions which in the opinion of members of parliament ought to be dealt with. The need to deal with them has been apparent for a number of years.

When I first read the bill I was impressed with it and thought that it incorporated many of Chief Justice Estey's recommendations. But the number of references to the governor in council concerned me. It seemed to me that the bill would give the minister power to wield an inordinate amount of control, perhaps at the expense of the airline's management. I was reassured to hear the minister say that at some later stage, as a result of discussions, amendments will be introduced which will qualify the text of the bill as it now reads. He was speaking of that part of the bill providing for the giving of directions. According to the minister, as he is reported in *Hansard*, the directions to be given by the governor in council will be directions of a general nature. He went on to say that it is not the intention or purpose of the government to give direction in relation to the day to day operation of the airline. If the minister meant what he said and his words can be translated into proper amendments in committee, many of the concerns of members of parliament on this point, particularly in my party, will be laid to rest.

In the past, Air Canada has been one of our better Crown corporations. Only in the fairly recent past, when people with non-airline or non-transport experience were appointed to senior positions in the airline, have some of the airline's difficulties become apparent. Many of those difficulties are now in the process of being eliminated. As my colleague from Cumberland-Colchester North (Mr. Coates) noted, no corporation, Crown or otherwise, has a more dedicated and capable work force than Air Canada. Given good, sound financial direction and a minimum of government interference, I think Air Canada can again reach the heights of efficiency and

goodwill it enjoyed a few years ago. In my opinion, it is on its way to regaining its former position.

Many constructive suggestions have been conveyed to the minister by Air Canada, members of parliament, and I hope from other sources. I should like to deal positively now, with some points which I am sure the minister has heard before. Nevertheless, I think they should be put on record. Also, since I will not neglect the negative side of the bill in my remarks, I shall make some suggestions for improvement. I shall also deal with one activity in which Air Canada has participated and for which it ought to be condemned. I refer to the company's involvement with the de-icing facilities at Mirabel. I shall come to that later.

The minister said in his speech last week, as reported in *Hansard,* that he feels it is his responsibility to achieve the maximum possible efficiency in all aspects of the airline's operation. I think the minister would also agree that if possible Air Canada's profitability ought to be kept in the forefront. The airline has always striven to make a profit if that was possible. Only in recent years has it begun to show an alarming pattern of operating deficits. Personally, I should like to see an express provision in the bill saying that the government intends Air Canada to be profitable. That would be consistent with the minister's statements and would be valuable in boosting employee morale.

Such a provision would also give potential investors the confidence of knowing the company is commercially oriented. This point is important, since this bill deals with changes to the company's capital structure. I should like to see some language inserted, perhaps in the preamble or in clause 6, in that clause under the title "Capacities and activities of the corporation", spelling out tersely but explicitly some definite commitment for making the airline a profitable operation.

It is obvious, from a reading of the bill, that the airline may engage in a number of activities which are over and above its paramount purpose. I think some definitions in this respect could be improved in committee. Those activities not listed by implication are prohibited. Perhaps we should examine the legislation carefully and see if we cannot indicate with more precision exactly what Air Canada can and should do. I do not think for example, we should give it carte blanche to do anything it wants or compete unfairly with other like enterprises in the private sector.

I mentioned earlier the matter of directions. The bill says that the corporation shall comply with direction given to it in writing by the governor in council. Such directions are unqualified. Since the minister mentioned them in his speech, I think one can assume he is well aware that, taken literally, such language would enable the government to interfere in the day to day operations of Air Canada. I understand the Air Canada management thinks the government ought to confine itself to policy direction. Obviously, Chief Justice Estey had this in mind when he raised the point in his report, and I agree.

I now raise the question of Air Canada service. Obviously, for various reasons in the past Air Canada has been directed to provide service on routes which no private airline could have flown profitably. Clearly, clause 9 empowers the government to compensate Air Canada for losses arising from the provision of that type of uneconomic service. I believe the committee should consider making such compensation mandatory. Such language should be spelled out in the act clearly, in order to show management, the public and employees of Air Canada that the airline shall not suffer financially as a result of such direction to provide unprofitable services to remote areas domestically or internationally.

I also believe that the method of calculating such losses ought to be in accordance with generally accepted accounting principles. Some procedures should be spelled out, so that the department itself will not have power to say how large the losses are. If there is any dispute, the matter ought to go to some sort of arbitration procedure.

We are now considering a different type of capital debt structure for the company. In order to ensure that Air Canada can market its future securities at the lowest possible rate of interest, in order to attract potential investors and encourage investment, I suggest the bill should be amended to make Air Canada securities a legal and eligible investment from any point of view. Certain Canadian companies such as insurance and trust companies may not, under the legislation governing them, invest their funds in the securities of another company unless the latter meets certain tests specified in the governing legislation qualifying it as a "legal for life" investment. That is a term in use in the investment world. It seems to me that the committee ought to consider this point when considering.

● (1240)

The borrowing power of Air Canada is covered in clause 15 of this bill. This power becomes immensely important when you consider that only a few years ago, at the end of the war, you could buy a pretty good aircraft for passenger service for around $1 million. Today's wide-bodied jets cost $30 million or $40 million together with spare parts. The financing of these very important and necessary showcases of Air Canada's fleet is a major undertaking and it is much more complicated than it used to be.

The bill provides that the approval of the Minister of Finance must be obtained before the corporation can borrow any money. This is not entirely necessary nor desirable from Air Canada's point of view. It extends the government's control too far into the day to day operations of the airline and its management. In other words, the corporation's financial plans, including the need to raise funds externally, would be apparent in its annual budget which requires approval by order in council on the joint recommendation of the Minister of Transport, the Minister of Finance, and the President of Treasury Board. If the budget and resulting external financing requirements are approved, further government approvals related to implementing such plans introduce what any company would believe to be overcontrol by the government, detrimental to the effective and efficient implementation of approved plans by the management.

Approval of long-term financing action is a normal prerogative of a corporation's board of directors. It should not be through unnecessary, complicated scrutiny by people who in the normal course of events would not find it necessary to do this with other corporations of Air Canada's stature, as is the case with our national air carrier. The need for government approval of post-budget action and decisions covering unspecified terms would adversely affect the company's flexibility. I hope the minister will be receptive to taking a look at this in committee as well.

There have been a lot of problems in the past with Air Canada's auditing. Without opening old wounds, it is only necessary to remind the House that these complications arose because of arbitrary action taken by the government which did not meet good business principles and were not satisfactory under the circumstances. This bill which indicates that auditors will be appointed annually by the governor in council should be modified so that management of the corporation will be consulted. There was a totally unnecessary occasion of embarrassment to the airline in the past when we had the ridiculous situation of three sets of auditors—one going, one coming, and one in the process of leaving. We do not want to get into that sort of era again.

The bill requires an audit to be done of the accounts and financial transactions of the corporation and requires that the auditors report on same to the minister. As is the case in the private sector and under general corporate law, the board of directors of Air Canada should be entitled to an audit report on the company's financial statements and affairs before it approves the accounts and financial transactions for the fiscal year. Again, there ought to be more consultation and more options available to management. Just because Air Canada is a Crown corporation is no reason why it should be penalized through the extent of having excessive control exerted over it. On its record, it deserves far more trust and confidence than, for example, AECL. That should be kept in mind.

Clause 18 provides that the governor in council may request reports of any kind at any time as it deems appropriate from the corporation, and the corporation shall comply with any such request. I would suggest that Air Canada must take a pretty dim view of any such proposal. It is unnecessary and could tend to abuse.

Members of parliament must ensure that this airline is not converted, either advertently or inadvertently, into some sort of government agency rather than a normal commercial enterprise under the broad direction of government. Air Canada, on its record, has been one of the great airlines of the world. It is only in recent years, as mentioned before, that it has run into any difficulty. Something we must be careful about in trying to give Air Canada the type of flexibility and capacity it requires is that we do not allow civil servants, who to some extent are going to follow their natural tendencies, to try to exert a type of control that is going to take away from Air Canada's ordinary initiatives.

I would like to talk about the board of directors of Air Canada for a moment. Rather than having the civil servants lurking in the background, if it is deemed desirable it would be better to have one or two on the board of directors where they can speak out freely and their actions can be assessed and judged—take away that anonymity.

In considering the qualifications of the board of directors it would be very desirable that they have some expertise in transport-related matters or in business. As far as possible, they should be representative of certain areas of the country. When Air Canada is considering factors that are regional, these people can speak with some knowledge and authority of the situation. They will not simply be holding seats based on political or other prerogatives that have earned their being appointed to the position. The minister will be aware of this, and I am sure he will try earnestly to keep this from happening so that Air Canada's board of directors are not redundant or merely holding down their positions because they have earned them in some way that is not related to the type of expertise they are expected to provide.

As an example of something that Air Canada and Transport have collaborated on recently and completely messed up, to show the other side of some of Air Canada's activities, I want to talk very briefly about the de-icing facility at Mirabel. This has interested me for some time and the minister and I have had some correspondence about it. The taxpayers of Canada are now the proud owners of a de-icing facility, through the Department of Transport. It cost the taxpayers a lot of money, between $7 million and $10 million, and that may be a low estimate.

Initially, as I understand it, Air Canada decided that it wanted to control this de-icing facility. They felt it would be in the company's best interest to do so. In 1973 the company suddenly came to the realization that it lacked the money and expertise to accomplish this. Transport decided it should step in and provide some assistance. Also, there were people in the private sector who showed an interest in this particular facility, which made Air Canada uneasy.

Air Canada first decided that they wanted it. Second, they felt they could not handle it. They then did an about-face and decided that they, together with people from Transport, would design this de-icing facility at Mirabel. From that point on, things went from bad to worse. Millions of dollars were spent. Committees were formed, at the initiative of Transport and Air Canada, which involved at various times representatives of major air carriers, ATAC, and so on. Proposals were invited and cancelled; tenders were called and cancelled in an irregular way.

This House will recall that questions were asked last year about some of the circumstances under which a de-icing facility, and for some unknown reason the tenders were cancelled at the last moment without proper notice. Allegedly, a telex was sent, but to this date it has never been found. In any event, the first winter's operation was a disaster. The facility was shut down in December and remained closed until well into the new year.

● (1250)

On some occasions there were delays due to de-icing for as long as five hours, causing all sorts of complications to major air carriers, and to passengers. KLM had occasion to complain, as did CP. As I understand it, some of the correspondence the minister has probably seen is so hot that it virtually singes the paper, as the airlines detailed some of the incompetence and some of the complications occasioned by this not so fortuitous blending of Air Canada and the Department of Transport.

On May 26 of this year, for example, in an effort to deal with this continuing problem resulting from Air Canada's refusal to permit anyone else but themselves to participate in this de-icing project, and the failure to call tenders, Transport asked the current ATAC committee, which is the second one which has been formed, if they would like to have representatives from IATA attend the meeting, and if my information is correct they were told they did not want representatives of IATA to watch them wash their linen in front of the world in trying to come to some sort of reasonable conclusion to get out of this demonstrable fiasco.

I have mentioned this rather detailed example to illustrate that if Air Canada is to be given increasing authority—and I, for one, feel that they should be given that authority and flexibility—they must not use this increased flexibility and authority to get into areas where they either lack the capacity or other means to compete and do a good job. At the same time, it must be made clear to Air Canada that as a Crown corporation, while they should have every occasion to do those things which facilitate their main object, that is to say, transporting people and participating in enterprises related to transportation, they should not necessarily be allowed to get too far afield, because I think it is pretty clear that even the most efficient Crown corporation has yet to demonstrate that it is a match for a well-managed private corporation which has to sink or swim on its own merits. It should be noted in this connection that the private sector corporations are in a far better position to make a contribution back to the economy in terms of tax dollars, and so on.

I want to make my feelings clear. Air Canada, despite the increased powers contemplated under the bill, should be watched closely to make certain that it does not expand too rapidly, and in areas such as de-icing where so far it has shown itself to be unqualified to do the job which some other company, maybe General Aviation, maybe some other private company, could have done better. Coming back to the de-icing operation for a moment, I hope the minister will consult with his colleagues in Treasury Board bearing in mind that, as I understand the situation, it is government policy that, publicly-owned facilities such as this unit at Mirabel should in every possible sense be open to public tender. This is the only way in which taxpayers are going to be able to decide whether this very expensive de-icing capability which has been bought with their money is a success and can be operated, or whether in the final analysis cement must be poured over it and a new start made.

[Mr. MacKay.]

Coming back to the question of the employees of Air Canada and the labour difficulties which have plagued this company, I should like to see the minister consider whether or not in the process of the capital restructuring of this company it might not be feasible to make provision for some of the employees of Air Canada, and there are many thousands of them, who would wish to invest in their company, to do so. It would be very interesting to see what sort of response the government would get to this type of initiative.

I also think that, just as in the case of civil servants having some legitimate function to perform, it should be out in the open where people can assess their decisions and input, as has been mentioned before, and in the case of this Crown corporation it would be very useful to get a policy input from some of the people who work for the company in technical areas particularly. As far as some of the decisions are concerned which, with the benefit of hindsight, seem less than wise, I believe that if some of the maintenance people of Air Canada and some of the pilots and flight crews had had a consultative role to play, we would not have seen Air Canada buy the L-1011.

I have been told repeatedly by pilots that this is not a well-balanced or particularly satisfying aircraft to operate. It was designed to have a stretched model later on, and as a result it does not fly perfectly level in the air. I was told it is very difficult sometimes, as a result, for the stewardesses to serve food on this aircraft because the pilot has, as is often said, to fly it a bit up on the step with the nose elevated one or two degrees in order to compensate for its lack of balance. This information may or may not be sound; I don't know. But when you have an airline like Air Canada with approximately 20,000 employees, many of them highly trained and competent people who are watching closely their competitors and who have to be conversant with the latest types of equipment, the servicing and operations, and the merits of different aircraft, it seems to me a waste that some of their knowledge and capability cannot be utilized in an organized way, perhaps through a representative on the board of directors or on a consultative basis through their unions. Advice from the employees might well help the airline improve the quality of some of its operational decisions.

It is far better for this type of input to be available to Air Canada from its own employees than to have that type of suggestion as to what type of aircraft they should buy, or how they should finance them, made by mandarins in government who have never had the occasion to fly an aircraft or to worry about meeting a payroll or servicing the sort of equipment the airline uses. I hope the minister will consider some sort of innovative approach on this basis.

The Acting Speaker (Mr. Turner): Order, please. It being one o'clock, I do now leave the chair until 2 p.m. May I remind hon. members that the House will then proceed with the ordinary daily routine of business.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

MEASURES TO REDUCE LEVEL OF UNEMPLOYMENT—MOTION UNDER S.O. 43

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. In view of the federal government's figures which reveal that unemployment, far from improving as the budget promised, will deteriorate and increase over the next two years, I move, seconded by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn):

That this government take immediate steps to correct this very inhuman situation.

Some hon. Members: Hear, hear!

Mr. Speaker: Pursuant to Standing Order 43, presentation of such a motion for debate can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Alexander: Goodale said "no".

* * *

ENVIRONMENTAL AFFAIRS

SUGGESTED POSTPONEMENT OF DRILLING IN BEAUFORT SEA UNTIL CLEAN-UP TECHNOLOGY AVAILABLE—MOTION UNDER S.O. 43

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Given that the Department of Fisheries and the Environment has gone on record as being against further drilling in the Beaufort Sea owing to the immense environmental risks and to the inadequate clean-up technology for handling Arctic oil spills; and given that we have no indication drilling procedures this year will be any better than last year, when control was lost over one well owing to inadequate care on the part of the drilling company and the failure of the government to enforce its drilling regulations, a view supported by the United States government in a note to the Canadian government dated March 15, 1977, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House express its disapproval of the decision to permit offshore drilling in the Beaufort Sea this year and urges the government to withhold

approval until clean-up technology for Arctic oil spills is clearly available and the environmental risks have been substantially reduced.

Mr. Speaker: In accordance with the provisions of Standing Order 43, presentation for debate of such a motion can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Alexander: Goodale said "no".

* * *

● (1410)

[*Translation*]

FINANCE

SUGGESTED PAYMENT OF COMPENSATED DISCOUNT—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity.

In view of the fact that during May food prices in Canada have risen for the fifth consecutive month, increasing by 2.3 per cent, and that the Anti-Inflation Board ascribes that rise partly to the price of potatoes, beef, pork and non-alcoholic beverages which went up by 10 per cent last month, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House take immediately the necessary steps to consider the possibility of subsidizing the consumption of Canadian food products such as potatoes, beef, pork and fish and this through a consumer compensated discount, the main effect of which would be to reduce the price of those products and make them more available to all Canadians.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

IMMIGRATION

PROPOSED CONSULTATION WITH PROVINCES AND DEBATE IN HOUSE ON POLICY—MOTION UNDER S.O. 43

Mr. Arnold Malone (Battle River): Mr. Speaker, I rise to move a motion of urgent and pressing necessity. In light of the fact that the Minister of Manpower and Immigration (Mr. Cullen) indicated yesterday that no policy sharing program between the province of Quebec and the government of Canada has been fully developed but that there are to be

working discussions over the summer months between these two specific governments, because there is an urgent need to establish policy which will be acceptable to all provinces and under which the federal government will retain the ultimate authority with regard to immigration of peoples to Canada, and with full recognition of the need for freedom of mobility within the country, I move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That no working discussions be proceeded with until all provinces are invited to participate and that no policy be accepted until first endorsed by the Parliament of Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HARBOURS

SUGGESTED GREATER USE OF PRINCE RUPERT AND CHURCHILL AS EXPORT TERMINALS FOR GRAIN—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. The port of Prince Rupert has been used as a back-up facility rather than an active export terminal. Greater exploitation of Churchill's natural locational advantage and Prince Rupert's natural locational advantage should be made. Given these findings and evidence in the Hall Report I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urge the government to increase the utilization of the Ports of Prince Rupert and Churchill as recommended by the Hall Commission Report.

Mr. Goodale: We are already doing it. The motion is redundant.

Mr. Speaker: The presentation of such a motion for debate can only be done with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

OLD AGE SECURITY ACT

MEASURES TO MARK TWENTY-FIFTH ANNIVERSARY OF COMING INTO FORCE OF ACT—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, within the last two or three days the two million pensioners of Canada have received from the Minister of National Health and Welfare (Mr. Lalonde) a nicely printed brochure asking them to join with him in recognizing the twenty-fifth anniversary of the institution of the Old Age Security Act. As I believe this occasion should be recognized in a more substantial way, I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That the government be urged, in recognition of the twenty-fifth anniversary of the coming into effect of the Old Age Security Act, to mark this event in a substantial way, (a) by introducing a measure to increase by at least $100 a month the basic amount of the Old Age Security pension, and (b) by lowering the eligible age under both the Old Age Security Act and the Canada Pension Plan so that the pensions under these two statutes will be available, on a voluntary basis, to all persons between the ages of 60 and 65 who are out of the labour market.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House for the presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT—REASON FOR FAILURE TO ADOPT MEASURES TO REDUCE LEVEL IN VIEW OF FORECASTS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Minister of Finance. My question concerns the truly astonishing callousness of the government, the primary concern of which appears not to be job creation but job destruction. Yesterday projections which were irrefutably those of the Department of Manpower and Immigration showed what is very nearly criminal complacency. The projections indicated that by this time next year there may be another 50,000 people added to the 400,000 residents of eastern Canada who are already unemployed. Can the minister tell the House whether he was apprised of this prediction of at least two wasted years before he introduced his budget, and if so, why was he so content to stand pat when there are already one million people out of work?

Hon. Donald S. Macdonald (Minister of Finance): As I indicated in my budget, we did anticipate the difficulty of reducing the rate of unemployment in Canada over the next several years, and indeed that is the reason why instead of standing pat, as the hon. member has said, we have devoted $1.2 billion by way of an additional forgoing of taxation for the purpose of stimulating the economy in this and in succeeding years, and have provided additional direct employment funds through my colleague, the Minister of Manpower and Immigration, to deal on a selective basis with problems of unemployment particularly among youth, and in the eastern parts of Canada. I would say, therefore, that the budget was specifically directed at these problems of unemployment. I regret that the hon. gentleman voted against those measures,

but we think they will be in the interest of further activity within the economy and will reduce unemployment.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Finger in the dike.

Mr. Alexander: Apparently the minister has not been advised of the ineffectiveness of his "do-nothing" budget. I would refer him particularly to the Atlantic provinces economic report which indicates that, despite his budget, things are going to get much worse in Canada. In view of the fact that he said his budget is so great, and keeping in mind that the Atlantic council says it is not, what specific measures does the minister intend to introduce in the near future in order to alleviate this serious situation?

Mr. Macdonald (Rosedale): We have taken the position that the best prospect for employment in Canada, both on the short-term basis and over a longer run, is through further stimulation in the private sector. That the best future for Canadians out of work now and for young Canadians coming into the work force is to stimulate the private sector.

Mr. Stevens: They should go to another country. Which one, Pierre?

Mr. Macdonald (Rosedale): I regret that the hon. member does not support this view, but further stimulation of the private sector provides young Canadians and others with the best prospects of economic improvement in this country.

SUGGESTED INTRODUCTION OF REVISED BUDGET

Mr. Lincoln M. Alexander (Hamilton West): I will have the minister know that we on this side readily understand that it is the private sector that can create full and longlasting employment. In light of the fact that the minister speaks of the private sector bringing about longlasting employment, is it now the intention of the minister to bring in a revised budget in view of the fact that the last budget was a complete disaster?

Hon. Donald S. Macdonald (Minister of Finance): I might well consider that under some circumstances, but not under prompting by the hon. member who voted against the measures in the last budget that do stimulate employment.

Some hon. Members: Oh, oh!

Mr. Alexander: Notwithstanding the fact—

Some hon. Members: Order.

Mr. Speaker: Order, please. The hon. member for Halifax.

UNEMPLOYMENT—REASON FOR LARGE INCREASE IN FIGURES FOR ATLANTIC REGION—CONSULTATION WITH PROVINCES

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I would like to ask the Minister of Finance a question about what I am sure he will agree are very alarming unemployment figures for the Atlantic provinces. Does he accept the analysis recently made by the Economic Council of Canada in its report called "Living Together" in which the council explains the much greater jump that takes place in the rate of unemployment in the Atlantic provinces than in the rest of Canada during a national recession in terms of a greater fall in aggregate demand in the Atlantic provinces than in the rest of the country. I would like to ask the minister—despite the occasional cat-calls down the way—whether he would indicate that he and the government either accept or reject this explanation of the extraordinary jump in unemployment figures that accompanies a recession in the nation.

Hon. Donald S. Macdonald (Minister of Finance): I appreciate the hon. member having brought his interest in this question to my attention in private conversation. I have pursued that with my officials. I hope to be able to respond to him at a very early date. With respect to another opinion on the analysis of the Economic Council of Canada and opinions on the questions of fiscal stabilization which the Economic Council Report referred to, I would be happy to bring that to his attention and to the attention of the House.

• (1420)

Mr. Stanfield: A supplementary question, Mr. Speaker. If this analysis is correct it certainly corresponds with what I might describe as the gut feeling of maritimers through the years. It also goes far to explain the chronic economic difficulties of the Atlantic provinces because each time there is a national recession, the economy there gets set back further and there is a lower platform from which to start again. In view of the fact that the longer this goes on the deeper the difficulties become, may I ask the minister whether he is prepared to give this question some priority? Specifically, is he prepared to discuss the analysis and priorities suggested by the Economic Council of Canada with the premiers of the Atlantic provinces, immediately?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker, I am prepared to give it priority and I would be prepared to pursue that further when I have had further comment on the proposal.

* * *

NORTHERN AFFAIRS

DRILLING IN BEAUFORT—ALLEGED APPROVAL OF APPLICATION OF DOME PETROLEUM—GOVERNMENT POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Minister of Indian Affairs and Northern Development if he can confirm reports that over the weekend Cabinet approved drilling by Dome Petroleum in the Beaufort Sea despite the fact that officials of his department and of the Department of the Environment have recommended against such drilling until more sophisticated technology has been developed? Also, can he explain to the House how he can assure us that there will be stiffer enforcement of the regulations this year than there was last year? I ask this in view of

the fact that there was an explosion last year, the reasons for which were set forth in a note which the United States government sent to the government of Canada stating that "measures the operators had promised to put into effect to prevent accidents and avoid environmental damage either were not fully implemented or did not function adequately and that of greater concern were the apparent difficulties experienced by authorities—"

Some hon. Members: Order, order.

Mr. Speaker: Order, please. I think the preamble permitted to the hon. member has already been generous.

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, while many elements of the matter have been decided upon there are still loose ends which have to be tied. As soon as they are, an announcement will be made, perhaps as soon as tomorrow. I must say I do not accept any of the other allegations made in the hon. member's remarks.

DRILLING IN BEAUFORT SEA—REASON FOR 30-DAY SAFETY PERIOD

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. Has approval been given or has approval not been given? According to the report in the press there is to be only a 30-day no-drilling period. I would ask the minister to explain why his department recommended a 14-day period for safety and why, according to the press reports, the Cabinet recommended 30 days whereas the minister's department originally recommended 40 days? The department is reported to have sent a memorandum to Cabinet saying that had last year's blowout involved oil no relief well could have been drilled and that oil might still be seeping into the Beaufort Sea. Surely the minister can tell the House whether approval has been given for drilling and if so, whether a 30-day period is all that has been set aside which would give rise to the same disastrous situation as happened last summer?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, many elements of the hon. member's statement are incorrect. All information with respect to the decision will be given when we announce the decision tomorrow, including the reasoning behind the decision.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A final supplementary question, Mr. Speaker. I think the minister is stalling. May I ask him if it is not becoming increasingly clear that the government's desire for activity in the Beaufort Sea is simply to justify its intention to approve the building of a pipeline from the Mackenzie Valley on the application for a permit from Arctic Gas? Is it not a fact that all the meetings of the National Energy Board and the sittings of the Berger Commission have been a virtual farce, that the government has already made up its mind and this is the prelude to that decision.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

Mr. Allmand: Mr. Speaker, the hon. member's suggestion is completely false. If he were to read the Berger report he would note that Mr. Justice Berger did not oppose a pipeline for all time. He said there was room to do exploration in the north but no pipeline should be built for ten years.

* * *

[*Translation*]

EXTERNAL AFFAIRS

PARIS CONFERENCE—REQUEST FOR CLARIFICATION OF TERM "NEW ORDER"

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to direct my question to the Prime Minister.

The London Conference in which the Prime Minister took part generated some fresh ideas in respect of this new order we have been hearing so much about since 1974 and which has been emphasized by President Giscard d'Estaing. Could the Prime Minister inform the House in a few words what is meant by this new order; will it in effect create more and more unemployment while removing some of the tariff barriers?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not think I can give the hon. member a brief answer to his question. When speaking about a new order, he no doubt refers to an international economic new order, an expression used to define a very complex reality that is now being debated in Paris under the co-chairmanship of the President of the Privy Council. On his return, the hon. member might wish to ask him more precise questions which will be answered then.

* * *

[*English*]

NORTHERN AFFAIRS

DRILLING IN BEAUFORT SEA—STATEMENT ON APPLICATION OF DOME—REQUEST FOR TABLING OF CONDITIONS ATTACHED TO PERMIT

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, may I direct a supplementary question to the Minister of Indian Affairs and Northern Development, with regard to the announcement the minister hopes to make tomorrow. Will that statement with regard to the Dome-Canmar application for drilling permits be made on motions, and will the minister undertake to table any conditions which may attach to the drilling permits?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I said earlier, the announcement will be made as soon as we can tie up some of the remaining loose ends. I will try to make a statement, if those loose ends are tied up in time. With respect to the tabling of information, I will see what can be done.

DRILLING IN BEAUFORT SEA—REQUEST FOR DETAILS OF ARRANGEMENTS FOR COMPENSATION FOR DAMAGES

Mr. Bill Jarvis (Perth-Wilmot): A supplementary question, Mr. Speaker. In view of the gravity of the situation, I hope the minister will make his statement on motions in order to be in the position to answer some important questions. This morning's press reports indicate that the present option of the drilling company for posting a $10 million bond to compensate for environmental damage done to United States territory will be replaced by what is called a "permanent solution". Does this permanent solution, so-called, involve reciprocal legislation with the United States, whereby Canadians along our west coast who may suffer environmental damage because of oil tanker spills will be compensated as United States citizens will be compensated for damage done to their environment. In other words, is this so-called permanent solution to be a one-way street, or a two-way street?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, we will deal with these matters when the announcement is made. Meanwhile I suggest the hon. member should not believe everything he reads in newspaper reports.

Mr. Jarvis: Make a statement, then.

* * *

TRADE

POSSIBILITY OF ACTION TO INCREASE EXPORT TRADE OF ATLANTIC PROVINCES WITH UNITED STATES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. According to the Atlantic provinces economic council, the Atlantic region is unable to absorb people coming on to the work force or increased production. According to the report the situation is deteriorating. Since the region's economic hopes are based mainly on its export markets in the United States, which country's economic performance is expected to be better than Canada's, and since that market absorbs some 85 per cent of our pulp and paper, 75 per cent of our fish, more than 75 per cent of our iron ore and 20 per cent of our lumber, will the minister take steps to get in touch with his counterpart in the United States, in the hope that increased sales of our primary, staple products will stimulate the private sector of our area.

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I have already visited the United States. As a matter of fact, I set this up as a priority when I took over the Department of Industry, Trade and Commerce portfolio. Since last fall, I have visited four or five decision-making centres to promote trade between Canada and the United States; indeed, when I went to the Middle East, I was accompanied by a pulp and paper producer in an effort to promote the sale of these manufactured goods which originate from the Atlantic provinces. Therefore, we keep on trying, because we feel our relationship with the United States is of paramount importance, and I am glad to see the hon. member shares this point of view.

* * *

● (1430)

[*English*]

EXPORT DEVELOPMENT CORPORATION

REQUEST FOR AID TO LABRADOR LINERBOARD MILL

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the same minister. The Export Development Corporation, a Crown corporation under the minister's department, could help out in the distressing and deteriorating pulp and paper industry, and I refer in particular to the linerboard industry. However, the Export Development Corporation is restricted in the help it can give to this industry. Will the minister introduce some flexibility into the terms of reference of the Export Development Corporation in order to help this potential industry in improving the capacity of the building?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I shall seek information from that Crown corporation, and we shall carry out the necessary improvements, if they are warranted.

* * *

[*English*]

EXTERNAL AFFAIRS

SUGGESTION EXPORT MARKETS BE DEVELOPED FOR LABRADOR LINERBOARD MILL

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I will direct my supplementary question to the Secretary of State for External Affairs. CIDA, which comes under his department, can also help. It is helping other countries with technical assistance and financing to help build linerboard and pulp and paper mills which are taking away our markets. Will the minister review the situation with a view to providing funding in order to create markets in those countries for our marketable products?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I do not know whether there has been any financing for the kind of operation the hon. member speaks of overseas, but it is a very good idea to look at whether they can use products from Canadian plants such as the linerboard mill. I will be glad to take the hon. member's suggestion.

Oral Questions

PROPOSED WITHDRAWAL FROM HELSINKI AGREEMENT IN VIEW OF DISREGARD OF SOVIET UNION FOR HUMAN RIGHTS

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the answer given in this House Wednesday, May 25, regarding the violation of the Helsinki accord as exemplified in the lost human rights and fundamental freedoms of Ioseph Begun, and in view of Russia's obvious show of contempt for the signatories to that agreement, will Canada reconsider her position, dissociate and withdraw from the Helsinki agreement at the Belgrade meeting scheduled for this fall?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): I would think that would be most unlikely, Mr. Speaker.

* * *

SPORTS

USE OF POST OFFICE FOR DELIVERY OF DEPARTMENTAL MAIL—MINISTER'S POSITION

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of State (Fitness and Amateur Sport). Has her department adopted the policy of not using the post office for the delivery of departmental and other mail, but rather using a courier service or other such means?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Not to my knowledge, Mr. Speaker, but if we do we will probably entertain the use of Newfoundland dogs.

Some hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, if there is no departmental policy against using the mails for the delivery of correspondence and cheques, why did the Secretary of State for External Affairs take a government jet aircraft to St. John's last Friday, May 27, to, as stated in the newspapers, "fork over a $1.5 million cheque" to the Canada Summer Games chairman at a brief ceremony at St. John's airport on Friday at a cost of—

Mr. Speaker: Order, please. The hon. member for Central Nova.

Mr. MacKay: Mr. Speaker, my question is for the Minister of Labour. He is not in the chamber at the moment. Perhaps I could ask it later.

* * *

MANPOWER

CANADA WORKS PROGRAM—EXPEDITING OF APPLICATION

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the unemployment crisis in our nation and in view of the government's attempts to alleviate it by the introduction of job creation programs such as Canada Works and Young Canada Works, will the minister take immediate steps to expedite approval of all applications made months ago under these programs, including programs and projects which are now classified as "status unclear" in order to assist in alleviating unemployment in those areas of high unemployment?

Hon. Bud Cullen (Minister of Manpower and Immigration): I will so advise my staff, Mr. Speaker.

* * *

LABOUR CONDITIONS

EDUCATIONAL GRANT TO CANADIAN LABOUR CONGRESS—REQUEST FOR TABLING OF AGREEMENT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Labour with respect to the agreement reportedly entered into between the CLC and the government of Canada with reference to a grant of $10 million in public funds for the purpose of labour education. Will he table the precise terms of this agreement and will the agreement, when tabled, explain precisely how these public moneys are being used and who it is that will judge whether these funds are being used, as I trust they will be, in the public interest? Will the Auditor General have any role in monitoring the use of the funds?

Hon. John C. Munro (Minister of Labour): Yes, to both questions, Mr. Speaker. Yes, the Auditor General will have a role and yes, I will be pleased to table the agreement.

Mr. MacKay: Mr. Speaker, I thank the minister for his answer. The government, in announcing the grant, has implied it is a quid pro quo to counter-balance comparable grants which have already been made to management. Is it management per se, or rather employers or employer organizations? Would the minister give details of such so-called comparable grants so that organizations which have not received them will not be perceived to have been the beneficiaries. For example, have grants been made to the CMA, Chambers of Commerce, construction organizations or organizations of that type?

Mr. Munro (Hamilton East): No, Mr. Speaker, but government tax moneys go to the universities to provide courses in business administration. They are usually of tangible assistance to management and industry in this country. However, there are no analogous courses for people who wish to pursue careers, and useful careers at that, in the trade union movement. For certain courses that are undertaken by employees I believe there is a tax deductability for the corporation.

GRAIN

PLANS FOR MARKETING SURPLUS WHEAT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture who met recently with the Secretary of Agriculture of the United States, Mr. Bergland. Apparently there was some concern over the marketing of wheat. In view of the deep feeling of fear in western Canada on the part of farmers over the fact that the amount of wheat in surplus now amounts to seven million bushels—If they wish to consult together, I will hold my question. The Minister of Transport is advising the Minister of Agriculture what is the best answer.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: What plans does the government have in mind for the marketing of wheat? I ask this because the surplus is piling up to such an extent that it is becoming even worse than when we came into office.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, there were discussions. I was present when discussions took place between my counterpart and the minister in charge of the Wheat Board.

Some hon. Members: Hear, hear!

Mr. Whelan: I think the minister in charge of the wheat board should answer the question.

Some hon. Members: Oh, oh!

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am delighted to confirm to hon. members that the wheat board's efforts in selling grain are continuing. With a record volume of production last year, there will of course be some increase in the amount of wheat on hand, but not a burdensome increase by any means. There will perhaps be a total of 200 million bushels out of what was a record crop. Apparently barley sales have been going so well that if the weather had not turned for the good, we would have been quite concerned about having an adequate amount for our markets. I might also tell the right hon. member and other hon. members today that the Canadian Wheat Board has just confirmed the completion of another sale to China for 110 million bushels of wheat commencing this fall.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, I am always glad to hear of sales made to Communist China because when we brought this about, those sitting opposite in the Liberal party at that time condemned it as ridiculous. I would like to get the attention of the Minister of Agriculture who is now getting instructions from another former minister. The reason I asked him the question was in view of the Reuter despatch to the effect that it was he and the United States Secretary for Agriculture who discussed the matter and then it went on to say that the Canadian minister responsible for the Wheat Board, Otto Lang, was also involved in the discussion. So the general discussions were with him. Now I ask him, having regard to all the circumstances and the fact that there is this tremendous surplus, irrespective of the statement made by the Minister of Transport, is he still of the opinion that things would be far better if the responsibility for wheat were placed under his jurisdiction rather than under the present minister?

• (1440)

Some hon. Members: Oh, oh!

GREATER USE OF PRINCE RUPERT AS EXPORT PORT FOR GRAIN—EXPANSION AND MODERNIZATION OF FACILITIES

Mr. Lorne Nystrom (Yorkton-Melville): My questions are also for the Bobbsy twins, Mr. Speaker. I will put my first question to the boss, the Minister of Transport. On May 17 he received a telegram from the grain coordinating committee in Prince Rupert, B.C., asking for the expansion and greater utilization of the Port of Prince Rupert as a major Pacific export point for grain. When can we expect the minister to announce a program to increase the utilization of that port and the modernization of its facilities?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, a decision will be made soon.

Mr. Nystrom: Maybe I should ask the Minister without Portfolio from Alberta, Mr. Speaker. But anyway I will address a supplementary to the Minister of Agriculture who also received a similar telegram. The Hall Commission recommends that the Prince Rupert terminal be expanded from 2,250,000 bushels to 6 million bushels and be fully modernized. I should like to ask the minister when he intends to make an announcement that the port will be expanded as the Hall Commission recommends. Also, when he is awarding tenders for the Prince Rupert elevator, can he assure us that that tender will not go to the Carghill Grain Company?

Mr. Whelan: I have received a final report from the Grain Commission which advises me about the terminal facilities and what should be done with them. A decision will be made shortly. When the hon. member talks about tenders and so on, these were submissions which were made to us by the grain companies about how they would operate the facilities at Prince Rupert.

* * *

AIRPORTS

MEASURES TO MAKE MIRABEL MORE VIABLE—GOVERNMENT'S INTENTIONS WITH REGARD TO PICKERING

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Transport. It deals with the government's two recent ventures into airport construction—Mirabel and Pickering. Would the minister indicate what steps are being taken to try to make Mirabel a more viable airport?

Is it true consideration is being given to awarding landing rights to the Concord? Further, would he clear the air with regard to Pickering and say once and for all that they have dropped their plans to construct that airport near Toronto?

Hon. Otto E. Lang (Minister of Transport): The question with regard to the Concord is, as far as I know, hypothetical. We have not received a formal request with regard to its landing. We are attempting to improve the way in which passengers can move through Mirabel to points beyond in Canada. In order to increase the convenience to passengers we have been making a traffic study from this point of view and it is very likely we shall conclude that additional direct flights from Mirabel to a point in Western Canada in addition to those recently added to Ottawa and Toronto will be an adequate first step to increase the desirability of Mirabel.

With respect to Toronto, we have been taking every step we can to examine how passengers can be conveniently offered an opportunity to fly into and out of Toronto in the period ahead when we see increasing numbers creating some very serious problems. The improvement of the use of Mirabel is, of course, one of the alternatives we are looking at.

Mr. Stevens: My supplementary centres on an advertisement placed by the Logan Airport Authority in Boston in which they are soliciting Canadian business away from Mirabel. The advertisement refers to hypothetical travellers, the Simpsons, and it says: "The Simpsons want to thank you for that scenic, restful one and a half-hour 37-mile busride to Mirabel." And it adds: "Funny, but the Simpsons thought they were *flying* to Europe." The message is: "Come through Boston: We will get you there quicker". Is the minister familiar with this advertisement and could he inform us to what extent Logan Airport in Boston is taking business away from Mirabel through the sheer inefficiency of Mirabel?

Mr. Lang: I regret to see the hon. member endorsing any false advertising. This was brought to my attention by the manager at Mirabel when he wrote to the people in Boston drawing their attention to the falseness of that advertisement and emphasizing the convenience that Mirabel can give and will give to passengers travelling into and out of Canada in the future.

* * *

VETERANS AFFAIRS

DATE OF ESTABLISHMENT OF LOCAL OFFICE IN BRANDON

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Veterans Affairs arising from the hon. gentleman's statement about a year ago that he was setting up a storefront service to cut down the expense of serving the large veteran population in Western Manitoba. In view of the fact that old soldiers do fade away, would the minister tell us when he intends to set up this operation in Brandon?

[Mr. Stevens.]

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): The study I initiated at that time in reference to this question is still under way. Brandon is under study at the present time. As far as giving the hon. member a definite date, I prefer not to do so now.

* * *

[*Translation*]

AGRICULTURE

SUGGESTED ESTABLISHMENT OF NATIONAL CHICKEN MARKETING BOARD—MINISTER'S POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is directed to the Minister of Agriculture.

I want to thank him for the interest he has shown the Joliette area poultry producers' union by saying that he is willing to ask the cabinet to discuss setting up a national chicken marketing board. Unless I am mistaken, the minister is favourable to the creation of such a body; in view of the importance of that board, can the minister tell the House now when the matter will be discussed by the cabinet?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): No, Mr. Speaker.

* * *

[*Translation*]

IMMIGRATION

CONSULTATION WITH PROVINCES ON MORE ACTIVE PARTICIPATION IN CHOICE OF IMMIGRANTS

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration.

In view of the minister's answer to the question put to him yesterday by my colleague from Battle River on the complete freedom of immigrants within Canada, to the effect that he had a common denominator with Minister Couture, namely a person's ability to move throughout Canada despite the fact that he might originally have been designated to go to one province, can the minister tell the House whether he intends to amend clause 109(1) of Bill C-24 with a view to granting greater participation to the provinces in the choice of immigrants to their territory? If the minister agrees to it, I am willing to give him a copy of the amendment I intend to move in the House, on third reading.

[*English*]

Hon. Bud Cullen (Minister of Manpower and Immigration): That bill is before the committee and I think that is the place to deal with it.

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF ALLEGEDLY ILLEGAL OPERATIONS OF BANK OF MONTREAL IN VANCOUVER—REQUEST FOR REPORT

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Solicitor General. On April 19 I asked the minister whether he could confirm that the RCMP were investigating alleged illegalities involving the operations of the Bank of Montreal in the Vancouver area and the minister replied that the RCMP commercial crime section in Vancouver were looking into the matter. In view of the fact that this is going on and that the Vancouver *Province* is presently running a series of articles about what the Bank of Montreal refers to as "the Greek connection", which is certainly uncomplimentary, and involves a series of kickbacks involving a million dollar loss to the bank, can the Solicitor General bring us up to date as to the progress being made in this matter and, keeping in mind any problems of split jurisdiction, can the Solicitor General advise me as to the extent of the information he now has and is prepared to give it to the House?

Hon. Francis Fox (Solicitor General): Mr. Speaker, if there is an investigation going on the hon. member knows very well it is not the practice to disclose the material obtained during the course of an investigation. If this material constitutes evidence of illegality the matter will be brought before the courts.

* * *

● (1450)

EXTERNAL AFFAIRS

NUMBER OF POLITICAL PRISONERS IN SOVIET UNION ABOUT WHOM CANADA MAKING REPRESENTATIONS

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and arises out of the answer he gave me in this House on February 24 in which he indicated that the Department of External Affairs had a list of some 136 or 137 cases of political prisoners within the Soviet Union. Since the sub-committee on international organizations in the United States has published a list which names over 700 political prisoners kept in the Soviet Union, can the minister explain the discrepancy between the cases the Canadian government feels worth fighting for and the cases on behalf of which the U.S. government is making representations?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I would have to check the answer I gave in order to be sure of my facts. My recollection, however, is that I was referring to cases of family reunification; I believe the hon. member said political prisoners or prisoners of conscience. The answer I gave was directed principally to those cases which had been brought to our attention where we had been asked for assistance regarding reunification of families, which obviously is quite a different list from the one in the United States to which the hon. member refers.

Mr. O'Sullivan: Mr. Speaker, I have a supplementary question for the minister. Accepting his preliminary answer, is it the policy of the Canadian government not to limit itself solely to representations on behalf of reunification of families but to take as a matter of protest to the Soviet authorities cases of all political prisoners kept in the Soviet Union, the list of which far exceeds the 136 or 137 figure given in the House by the minister?

Mr. Jamieson: Yes, Mr. Speaker. As I have indicated on previous occasions, it is the policy of the government to make periodic and indeed frequent representations with regard to the whole range of human rights issues with the Soviet Union. It is not always on the matter of a specific person but on a matter of principle. I think our record is quite clear in that we have been consistent in making the kinds of representations which are also made, of course, by other countries, including the United States.

* * *

PRIME MINISTER'S OFFICE

USE OF GOVERNMENT AIRCRAFT

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Prime Minister. I wonder whether the Prime Minister would tell the House all the reasons justifying his use of Department of Transport aircraft to travel on May 19 to Quebec City and Summerside, P.E.I., and on May 21 to Rouyn, Quebec, while campaigning in the recent byelections; and is the Liberal party going to reimburse the government for the public funds expended in this regard?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker.

* * *

EXTERNAL AFFAIRS

ACTION TO PREVENT IDI AMIN FROM ATTENDING COMMONWEALTH GAMES

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is addressed to the Prime Minister and is related to the Prime Minister's journey to London for a few days for the Commonwealth Conference. Concerning the Commonwealth Games in Edmonton, I should like to ask the Prime Minister whether the government has yet reached a policy which will at one and the same time resolve the problem of sporting links between New Zealand and South Africa, so there will be no African boycott of the Commonwealth Games in Edmonton, and show the protest of Canadians to the presence of Idi Amin in Canada during the Commonwealth Games, on the ground that the report of the International Commission of Jurists to the United Nations showed that

100,000 people were murdered in Uganda during the six years of Amin's administration?

Right Hon. P. E. Trudeau (Prime Minister): On the first question, Mr. Speaker, of the Commonwealth Games there has been a great deal of preparatory work by myself, by the Minister of External Affairs and our officials. On many occasions we have tried to solve this question. If it is not solved before the London conference next week then we must find some way of solving it there. The second question is premature.

REQUEST THAT REPORT OF INTERNATIONAL JURISTS ON UGANDA BE ON AGENDA OF COMMONWEALTH CONFERENCE

Mr. Douglas Roche (Edmonton-Strathcona): A supplementary question, Mr. Speaker, having to do with the International Commission of Jurists report which Canadian ambassador Beaulne told the external affairs committee last week would not be dealt with by the United Nations until next February. Therefore I now ask the Prime Minister whether he will personally acquaint himself with this report and put it on the agenda of the Commonwealth Conference in London.

Right Hon. P. E. Trudeau (Prime Minister): It is too late to put it on the agenda, Mr. Speaker.

* * *

PUBLIC SERVICE

PROPOSED EXTENSION OF BENEFITS AND PROTECTION TO EMPLOYEES OF TEMPORARY SERVICE ORGANIZATIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board in his capacity as the government's chief employer. My question is based on an announcement made by his colleague the Minister of Labour in a recent speech to the Canadian Association of Temporary Services in which he said that the government would seek to provide for unorganized workers certain benefits and forms of protection they do not now enjoy. In view of the fact that the government, through Treasury Board, employs a great many individuals in Ottawa and in other places from temporary services organizations, Office Overload people and so on, where there are no such benefits or forms of protection, will the President of the Treasury Board take steps to insist that these benefits and forms of protection now apply?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, the question of temporary employment pools or temporary employment agencies is being looked at more particularly by the Public Service Commission. I think there will be some announcements in that regard in the not too distant future.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Will the minister take steps to obtain from the Minister of Labour the precise provisions which he

announced, and see to it that they are made available to all those who are concerned in this matter?

Mr. Andras: Mr. Speaker, I note the hon. member's representation and I will consult with my colleague.

* * *

LABOUR CONDITIONS

SUGGESTION MINISTER ISSUE WHITE PAPER CONTAINING PROPOSALS MADE IN SPEECH AT EDMONTON

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the Minister of Labour arising out of the speech which he made to the annual meeting of the Canadian Association of Temporary Services in the city of Edmonton. I think the minister indicated he was intending to bring down legislation at some stage, and he and I both know the situation with respect to House business now. In view of that I wonder if the minister would consider putting his proposals into the form of a green or white paper which we might be able to consider in advance of the legislative proposal? To put it another way, has he rejected that and, if not, would he consider it?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, that is a proposal which is worth considering and I will do so.

* * *

INQUIRY OF THE MINISTRY

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Finance. In view of the promise by the leader of the NDP, Mr. Stephen Lewis, in the Ontario provincial election that, if elected, he would raise the minimum wage to $4, and owing to Ontario's dominance in our economy, if this proposal were carried out across the country, would it increase inflation and would it work against the decontrols process?

Mr. Speaker: Order, please. The hon. member surely realizes that the question is extremely hypothetical.

* * *

CANADIAN NATIONAL RAILWAYS

LAYING OF HEAVY STEEL RAILS ON LINE TO CHURCHILL

Mr. Cecil Smith (Churchill): Mr. Speaker, my question is for the Minister of Transport. Now that the Hall commission has made its recommendations, will the CNR be continuing with the installation of heavy steel to Churchill to accommodate the 100 ton hopper cars?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have drawn to the attention of Canadian National my view that the reason they gave for discontinuing the upgrading of the Herchmer subdivision was inadequate and I asked them to

review the situation. I have not yet had a response in this regard. I am happy to tell the hon. member that other matters relating to Churchill are going forward and a $5.6 million contract for dredging is now being let for the harbour.

* * *

CONSUMER AFFAIRS

POSSIBILITY OF ESTABLISHING FOOD POLICY COUNCIL TO CONSIDER NATIONAL FOOD POLICY

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is for the Prime Minister. Since there is a great deal of misunderstanding and confusion between agricultural producer groups and consumers as to what a comprehensive food policy should consist of, I would ask the Prime Minister whether the government is considering the setting up of a joint food policy council consisting of both private and government members to cover every segment of food production from transportation to tariffs, in order to come up with a comprehensive national food policy which could be set before not only producer groups but also consumers?

● (1500)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I take that to be a representation. I will consider it most seriously.

Mr. Speaker: Order, please. Pursuant to the Special Order passed by the House yesterday, for the balance of the month of June the House will be sitting extra hours. One of the features of that order is considering matters set aside for the adjournment debate, not at ten o'clock, between ten and ten thirty, but at six o'clock, between six and six thirty. That raises certain administrative difficulties in that Standing Orders provide that the Chair must indicate at five o'clock each day the subjects to be dealt with at the hour of adjournment, which is ordinarily five hours later. This gives time to the member who is involved in putting the question at the hour of the adjournment and also for the responder from the government to make preparations to meet that eventuality. If we were to continue to adhere to that procedure, obviously we would make these announcements and decisions at five o'clock for an event which is to take place one hour later, which really does not provide that opportunity.

It is my responsibility to make those choices each day. The order will not have any effect tomorrow, being Wednesday, but will have effect again on Thursday. It is to be hoped that consultations between now and Thursday afternoon might lead to some solution to the problem. In the meantime, I am attempting to meet it today in the only way that seems reasonable to me, which is to exercise my prerogative to choose questions for the late show for six o'clock this afternoon and to announce them to the House at this time, which is contrary to the practices of the House and the Standing Orders. I hope it will be accepted on this occasion until we find a better way to do it, bearing in mind that at six o'clock there must be some preparation by the people on both sides.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised on the adjournement motion which, pursuant to the Special Order will take place at six p.m., are as follows: the hon. member for Perth-Wilmot (Mr. Jarvis)—Transport—Request for statistical data indicating risk of oil spills as a result of increased tanker traffic; the hon. member for Brandon-Souris (Mr. Dinsdale)—Air Transport—Effect of proposed take-over by Transair by Pacific Western on prairie regional service; and the hon. member for Surrey-White Rock (Mr. Friesen)—Income Tax—Meal allowance for truck drivers—possibility of change.

Mr. Crosbie: Mr. Speaker, I rise on a point of order in connection with a question which I attempted to put this afternoon in order to understand the reason for your ruling. I asked the Minister of State (Fitness and Amateur Sport) whether her department had a policy of no longer using the Post Office for mail, but rather a courier service in connection with departmental correspondence. She answered no, that they did not have such a policy, although they might use Newfoundland dogs, which is very apropos. I was granted permission to ask a supplementary question. My supplementary question was: in that event, why was the Secretary of State for External Affairs apparently asked to deliver a cheque for $1.5 million to St. John's by government jet last Friday to the Canada Summer Games Committee during a brief stop at the airport and a ceremony?

I was going to continue by saying that he went on to do business in his district. Why was that necessary if there are mails? Why was it necessary since the committee was in Ottawa on May 16, just ten days ago, at a ceremony here on parliament hill? The cheque could have been passed over then. Your Honour did not let me complete the question, and that is why I raise this point of order. If you could explain to me why that was out of order, I would appreciate it.

Mr. Speaker: It seems to me, if the hon. member refers to questions which are both frivolous and argumentative, he will understand my ruling.

Order Paper Questions

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

FISHERIES AND FORESTRY

Third report of Standing Committee on Fisheries and Forestry—Mr. Béchard.

MISCELLANEOUS ESTIMATES

Second report of Standing Committee on Miscellaneous Estimates—Mr. Langlois.

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

* * *

[*English*]

ANTI-INFLATION PROGRAM

TABLING OF REFERENCES TO THE ADMINISTRATOR

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to table references to the administrator under the Anti-Inflation Act. There are three with regard to Charterways Company, Ltd.; and references with regard to the New Brunswick Engineering and Field Group Employees, the New Brunswick Forestry Group Employees, the New Brunswick Pharmacy, Mental and Physical Rehabilitation Group; and the Victoria General Hospital, Winnipeg.

* * *

OLYMPIC (1976) ACT

TABLING OF REPORT RESPECTING COINS

Hon. Donald S. Macdonald (Minister of Finance): I would like to table also the report to parliament under the Olympic (1976) Act with respect to Olympic coins up to March 31, 1977.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 702, 993, 1348, 2192, 2312, 2340, 2361, 2373, 2392, 2422 and 2446.

[Mr. Speaker.]

[*Text*]

OFFICE OF THE MINISTER OF STATE—FITNESS AND AMATEUR SPORT

Question No. 702—**Mr. Jelinek:**

1. What will be the cost of establishing the new sub-ministry responsible for Fitness and Amateur Sport?

2. What number of personnel will be responsible to the Minister of State for Fitness and Amateur Sport and what will be their salaries?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): 1. No new sub-ministry responsible for Fitness and Amateur Sport has been established. However, a Minister of State has been appointed to assist the Minister of National Health and Welfare in carrying out his responsibilities with respect to the policy and programs related to fitness and amateur sport. The cost of establishing this Ministry of State is estimated at $123,000 which will be funded by existing Departmental budgets.

2. As of the date of this question, the Minister of State employed 5 persons through her exempt budget. The related salary ranges are shown below:

No.	Title	Salary
1	Executive Assistant	up to $27,250
2	Special Assistants	up to $22,900
1	Private Secretary	up to $17,900
1	Secretary	up to $12,500

RESEARCH INTO CANCER AND HEART DISEASE

Question No. 993—**Mr. Howie:**

In each fiscal year ending March 31 (a) 1976 (b) 1975 (c) 1974 (d) 1973, what amount was spent for research into (i) cancer (ii) heart disease?

Hon. Marc Lalonde (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned:

	(i) Cancer	(ii) Heart Disease
(a)	$849,988	$423,672
(b)	$795,819	$491,562
(c)	$751,547	$487,228
(d)	$522,181	$458,062

In so far as the Medical Research Council is concerned:

	(i) Cancer	(ii) Heart Disease
(a)	$4,751,819	$4,963,319
(b)	$4,387,506	$4,734,831
(c)	$3,752,149	$4,632,807
(d)	$3,515,318	$3,707,166

RELIEF OF IMPORT DUTIES ON INDUSTRIAL EQUIPMENT

Question No. 1,348—**Mr. MacDonald (Egmont):**

Is (a) DREE (b) the Department of Finance (c) the Department of Industry, Trade and Commerce aware of measures in effect in Ireland which allow full relief from import duties on plant and equipment for industry in designated development areas and, if so, are any such measures (i) now in effect in Canada

(ii) under study or contemplated for the future as encouragement to more balanced industrial development between Canada's regions, and if so, what are they?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of Privy Council): I am informed by the Departments of Regional Economic Expansion, Finance and Industry, Trade and Commerce as follows: (a) See question No. 1346 answered on March 11, 1977. (b) The results of enquiries by the Department of Finance indicate that Ireland has not adopted tariff relief measures on machinery and equipment relating specifically to industries located in designated development areas. Canada has no provisions of this kind nor are any being considered at this time. There is, however, a program of general application, the machinery program, which is administered by the Department of Industry, Trade and Commerce. The program covers a broad range of machines, as well as their accessories, attachments, control equipment, tools and parts, used by the manufacturing and service industries. It provides for remission of duty on imported machinery when the Machinery and Equipment Advisory Board considers that reasonably equivalent machinery is not available from Canadian production and that remission is in the public interest. (c) The results of enquiries by the Department of Industry, Trade and Commerce indicate that there are no measures in Ireland which allow full relief from import duties on plant and equipment for industry in designated development areas. The existing custom licensing provisions empower the Minister of Industry and Commerce to waive the custom duties only to the extent that Irish duty is higher than Community Common Tariff (CCT) with regard to plant and equipment not manufactured in Ireland. However, as of July 1, 1977, Ireland will apply CCT fully. The Minister will not have power to relieve any tariff and CCT will apply in all cases. (i) and (ii) The Machinery program of the Department of Industry, Trade and Commerce allows for remission of duties on machinery and equipment of a type not manufactured in Canada.

ABESTOS INDUSTRY IN QUEBEC

Question No. 2,192—**Mr. Lambert (Bellechasse):**

1. On December 31 (a) 1975 (b) 1976, how many persons were employed by the asbestos industry in Quebec?

2. For each of the same years, what was the total in salaries paid to such persons?

3. For each of the same years, what was the value of the asbestos produced?

4. For each of the same years, what were the profits accrued to the companies?

5. What (a) federal (b) provincial taxes were paid in (i) 1973-74 (ii) 1974-75 by the companies?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports: 1. (*a*) On December 31, 1975, there were 6,057 persons employed by the asbestos industry in Quebec. (*b*) On December 31, 1976 there were 6,339 persons employed by the asbestos industry in Quebec.

NOTE: These are the total number of employees reported for the last pay period of the month; data are not available for end of month.

2. The total salaries for 1975 were $63,188,000. This information for 1976 is not available.

3. The value of the asbestos produced was $176,943,000.00 for 1975 and $343,164,000 (Preliminary) for 1976.

4. The profits accrued to the companies were: Net Profit before taxes and non-recurring items: 1975—5 companies—confidential because of dominance) 1976—5 companies—$114,576,000.00.

5. (*a*) The federal taxes paid by the companies in 1973-74 were $11,821,000. This information for 1974-75 is not yet available. (b) The provincial taxes paid by the companies were $4,784,000. This information is not yet available for 1974-75.

LRPA CONTRACT

Question No. 2,312—**Mr. McKinnon:**

1. Has Lockheed been paid the progress payment on the LRPA Contract of (a) $2,905,000 which was due on November 30, 1976 (b) $3,375,000 which was due on December 31, 1976 (c) $4,523,000 which was due on January 31, 1977 (d) $3,715,000 which was due on February 28, 1977 (e) $4,658,000 which was due on March 31, 1977?

2. Has Lockheed been paid the second Accomplishment Milestone Payment of $517,000?

3. Were any adjustments made to the Contract at the end of the first quarter of 1977, in accordance with the formula and conditions set out in Articles 8.1, 8.2, 8.3 and 8.4 of the Contract and, if so, what were they?

4. Have the specifications and capabilities of the Comox Data Interpretation and Analysis Centre set out in Article 1.1(1) of the Contract been defined yet and, if so, what is its estimated cost in (a) dollars (b) as a percentage of the cost of the DIAC at Greenwood?

5. Have any modifications been made to the Contract, including Progress and Milestone Payments schedules, to accommodate the purchase of the Comox DIAC, or is the purchase of the DIAC being handled separately and, if so, in what manner?

6. Since the Contract was signed, have any changes been made in the LRPA Project Office and, if so, what are they?

7. Have any changes been made to Article 4 of the Contract with respect to the role and authority of the LRPA (a) Project Manager (b) Deputy Project Manager and, if so, what are they?

8. Has the Minister exercised the option under the Contract to purchase a Versatile Avionics Shop Test (VAST) system, together with Interconnecting Devices (IDs) and Test Programme Sets (TPSs) for a firm fixed price of US $16,500,000 and, if not (a) for what reason (b) are there any plans to acquire the system at a later date?

9. (a) Has the contracting authority made any changes in the work and specifications, or the place or time of delivery, of the LRPA System under Article 37 of the Contract and, if so, what are they (b) has the contractor submitted any engineering change proposals in accordance with Article 37.2 and, if so, have any adjustments been made to the Contract price in accordance with Article 37.3 and, if so, what are they?

10. For what reason were Articles 39.1 to 39.10 inclusive of the Contract, covering Canadian industrial benefits and industrial benefits commitments, not included in the Contract as tabled in the House of Commons?

11. With reference to P-3 structural components tooling which is to be moved to Canada as part of the Aurora Programme, has the shipment of tooling for rudders and elevators and for nose and aft radomes commenced and, if so, has shipment been completed?

12. Has the Minister entered into any contracts with consultants or other contractors to assist him during the performance of the Contract under Article

49.1 and, if so (a) who are the consultants (b) what is the amount of each contract?

13. Does Article 60.1 of the Contract state certain premises with respect to the future actions of the US Government and, is the Contract based on these premises and, if so, have these premises, as set out in Articles 60.1 (a), (b) and (c) remained unchanged and, if not (a) what are the changes (b) what steps have been taken by the Minister to adjust the Contract price accordingly or to make other arrangements with the US government?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. (a)(b)(c)(d)(e) Yes.

2. Yes.

3. No.

4. No.

5. The manner in which the purchase of the Comox DIAC is to be handled has yet to be determined.

6. Yes. The LRPA Project Office per se is no longer in existence. This office was put in place to deal with the specifics of programme definition. On completion of this task, a new organization was established, designed specifically to handle the implementation phase of the programme.

7. Yes. All reference to the LRPA project manager and deputy project manager has been deleted from Article 4 of the Contract and the following substituted: "4.1 The Director, CP-140 Procurement Branch, Department of Supply and Services (throughout called the "Director") is the contracting authority and the officer designated to be responsible for the management and administration of the contract and, for these purposes he is an agent of the Minister . . . 4.2 The Aurora Programme Manager is the representative of the Department of National Defence appointed by that Department to perform the duties assigned to him under the Contract . . ."

8. Yes. (a) Not applicable (b) Not applicable.

9. (a) No. (b) No.

10. The contract tabled in the House of Commons included all Articles covering Canadian industrial benefits and industrial benefit commitments, and was identical to that executed with Lockheed. There is an inconsistency in the numbering of Article 39.0 as compared with the other articles of the contract. This could give the impression that a number of sub-articles have been omitted. This is not the case.

11. Yes, it has been completed.

12. Yes. (a) Dr. S. J. Kubina. (b) $15,000.

13. Yes. However, the facts are different than the premises in that the U.S. Government requires a payment for the recovery of non-recurring cost on the P-3A or S-3A. The Minister has made arrangements with the United States Government for payment of these charges outside the Lockheed CP-140 contract. Accordingly, the CP-140 Contract Price will not be adjusted.

U.S. TARIFFS ON OILSEED PRODUCTS

Question No. 2,340—**Mr. Hnatyshyn:**

1. Does the government plan to press the United States for the removal of its tariffs on flax, linoil and linseed meal?

[Mr. McKinnon.]

2. Has the government pressed for their removal previously and (a) if not, for what reason (b) if so, what has been the US response?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Both Canada and the United States are currently participating in multilateral trade negotiations in Geneva aimed at the reduction or elimination of tariff and non-tariff barriers to international trade. The Canadian Trade and Tariffs Committee was established in 1973 to receive the views of all Canadians with respect to Canada's participation in these trade negotiations. Since that time, several Canadian interests, including provincial governments and industry associations, have suggested that Canada should seek reduction or removal of U.S.A. tariffs on certain oilseed products. These include not only flaxseed, linoil and linseed meal, but also certain rapeseed, sunflowerseed and mustardseed products. The Canadian delegation in Geneva has notified the U.S.A. of our export interest in these and other agricultural products, and we will be pursuing this matter in the course of the negotiations.

2. Under the U.S.A. Trade Act of 1974, the President has been granted the authority to negotiate the removal of U.S.A. tariffs of 5 percent ad valorem or lower. It is therefore possible that complete elimination of the U.S.A. tariffs on flaxseed and on linseed meal might be negotiated. U.S.A. tariffs above 5 percent ad valorem, such as that which applies on linseed oil, would be eligible for a maximum duty reduction of 60 percent.

3. The current round of multilateral trade negotiations is the first to take place since the Kennedy Round of 1964-67. At the time of the Kennedy Round, Canada, as the principal supplier to the United States of linseed oil cake and meal, was able to successfully negotiate a reduction in the U.S.A. duty from 0.22 cent lb. to the current 0.12 cent lb. As Canada was not a significant supplier of either flaxseed or linoil to the U.S.A., we were not in a position to press for a reduction of U.S.A. duties on those products. Since the Kennedy Round, however, Canada has become the principal foreign supplier of all three products to the U.S.A. market, and we will therefore be in a better position to press our interests in the current trade negotiations.

GRANTS UNDER CONSUMER AFFAIRS PROGRAMME

Question No. 2,361—**Mr. O'Sullivan:**

1. What was the total amount, by province, assigned as base fund allocations for grants to local groups since 1972 under the Consumer Affairs Programme of the Department of Consumer and Corporate Affairs?

2. By province, what amounts were actually distributed?

3. Have any applications for such grants to local groups been received by the Department from (a) Hamilton (b) Burlington (c) Stoney Creek (d) Grimsby (e) Oakville (f) Ancaster (g) Dundas (h) St. Catharines, Ontario, since 1972 and, if so (i) how many (ii) what number and percentage have been successful (iii) what was the total amount granted in each case?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): 1. The base fund allocation for grants to local consumer organizations was not initiated until the start of the fiscal year 1976/77. The sum of $225,000 was set aside (on a national basis) for grants to local groups. This sum was

apportioned by region based on demographic factors (distribution of families). (1) Atlantic Region, $42,500; (2) Quebec Region, $46,000; (3) Ontario Region, $60,500; (4) Prairie Region, $49,500; (5) Pacific Region, $26,500; Total $225,000.

2. In 1976/77, the following grants were awarded to local organizations for consumer education and assistance projects. (1) Atlantic Region: Newfoundland, $13,000, NAPO Mobile education project; $6,000, CAC (Nfld.) complaints and enquiries; New Brunswick $11,000, Centre de Communication et d'information mobile Bathurst; $3,500, CHIMO, Fredericton debt and credit counselling; $5,000, Northumberland Information and Referral Centre, Chatham complaints and Enquiries; Total $38,500, (2) Quebec Region: $4,000, CAC (La Tuque)—Complaints and Enquiries; $10,000, Service d'aide aux consommateurs Shawinigan, complaints and enquiries; $3,000, CAC (Trois-Rivières) consumer assistance, research; Total $17,000,

---

NB: Grants of $50,000 were also made to the Automobile Protection Association and L'Institut de Promotion des Intérêts du Consommateur.

(3) Ontario Region: $10,000, Quinte Information and Assistance Centre, Belleville, complaints and enquiries; $8,000, Nutrition Improvement Project, Waterloo, consumer education; $3,700, Nepean Contact, Ottawa, consumer education; $2,500, North Bay Family Life Centre, credit counselling; $1,835, Thunder Bay Indian Friendship Centre, consumer education; $7,000, Hamilton Central Information Service, complaints and enquiries; $1,300, Porcupine Credit Counselling Service, Timmins, credit counselling; $12,000, Italian Immigrant Aid Society, Toronto, consumer education, complaints and enquiries; $7,000, Peterborough Information Centre, complaints and enquiries; $2,000, Information Niagara, complaints and enquiries; $3,500, Information Sudbury, complaints and enquiries; $2,000, New Welfare Action Centre, Toronto, consumer education; Total $60,835. (4) Prairie Region: Manitoba, $12,375, Community Consumer Credit Counselling Winnipeg, debit and credit counselling; Saskatchewan $14,770, Community Service Centre, Prince Albert, consumer education and assistance; Alberta $21,900, Calgary Family Service Bureau, money management education program; N.W.T. $5,000, Baffin Region Inuit Association, consumer education; Total $54,045. (5) Pacific Region: $7,900, Consumer Action League, Vancouver, debt and credit counselling and income tax service; $6,000, Consumer Action League, West Kootenay, consumer assistance; $3,500, Mission Community Services, consumer information; $4,925, Nanaimo A.I.D. Centre, consumer education; $775, Community Planning Association of British Columbia—survey; Total $23,100,

3. In 1976, one grant request was received from a Hamilton organization. A grant of $7,000, was awarded to the Hamilton Central Information Service to undertake a pilot project involving consumer complaints and enquiries. No grant requests were receive from Burlington, Stoney Creek, Grimsby, Oakville, Ancaster, Dundas, or St. Catharines.

Order Paper Questions

THE DRUG "NAPROSYN"

Question No. 2,373—**Mr. Rynard:**

1. Did the Food and Drug Directorate, Department of National Health and Welfare, test the drug Naproxyn before allowing its sale in Canada and, if so, what were the results?

2. Is the government aware of studies conducted on Naproxyn by the United States Health of Animals Branch and, if not, for what reason?

3. What, if any, negative and precautionary factors have been reported to the Food and Drug Directorate concerning Naproxyn?

4. What other drugs, if any, are available for use by arthritics?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. The Health Protection Branch evaluated the available data on the drug Naprosyn prior to issuing a notice of compliance permitting sale in Canada. The branch did not test the drug.

2. The Health Protection Branch is aware of the American Food and Drug Administration's investigation of animal studies carried out on Naprosyn in the U.S.A.

3. The Health Protection Branch has received a number of reports of adverse reactions to Naprosyn. These reports have not required any changes in the precautions listed for the drug at the time when the Notice of Compliance was issued.

4. There are many other drugs available for use by arthritics including ASA (acetylsalicylic acid), phenylbutazone, indomethacin, ibuprofen, steroids, gold salts, and a number of recently introduced agents such as fenoprofen and tolmetin.

NATIONAL DEFENCE—CONSTRUCTION, NEW CANEX COMPLEX AT CFB GAGETOWN

Question No. 2,392—**Mr. Howie:**

1. Has approval been given for the new CANEX complex at CFB Gagetown?

2. Will the recreation facilities of the complex, when completed, be available to all dependents of Armed Forces personnel without charge and will they be available on the same basis to the Town of Oromocto?

Hon. Barney Danson (Minister of National Defence): 1. No. This project is only in the intitial planning stage.

2. The facilities of the complex will be available to all dependents of Armed Forces personnel. However, some participant charge will have to be levied for most activities to obtain the funds necessary to meet operating and debt repayment costs since the complex will be constructed primarily with non-public funds (i.e Canex profits, messes and canteen etc.) as well as being maintained and operated from non-public funds. The facilities will also be available to the local community, after the needs of the military community have been met, at a charge to defray the costs as explained above.

STUDENT SUMMER EMPLOYMENT PROGRAMME

Question No. 2,422—**Mr. Marshall:**

1. What additional staff was hired and what was the cost to operate the Student Summer Employment Programme (a) Summer Product Safety (b) Summer Puppet under the Department of Consumer and Corporate Affairs?

2. Are any other programmes available for students under the Department?

Order Paper Questions

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): 1. Twenty-three students were hired during the summer of 1976 to staff the Summer Product Safety Program. Costs were: (a) Salaries, $27,252; (b) Other costs, $51,774 (includes travel and living expenses paid out to students) Total $79,026.

NOTE: The Summer Product Safety and the Summer Puppet Programs are one and the same.

2. Yes. In 1977, the following programs will be sponsored by the Department: (a) Summer Product Safety Program (SSEAP)*; (b) Summer Job Corps (SSEAP)*; (i) Food Talk; (ii) CCAC in Action; (c) Career Oriented Summer Employment Program (COSEP); (d) Non-Career Oriented Summer Employment Program (NCOSEP).

* SSEAP—Student Summer Employment Activities Program—a program controlled by the Department of Manpower and Immigration.

METRIC CONVERSION ASSISTANCE AND U.S. LIAISON

Question No. 2,446—**Mr. Rynard:**

1. Is financial assistance available to the small independent service station operators and petroleum dealers for conversion to the metric system of gasoline pumps and delivery trucks with meters and (a) if so, in what manner (b) if not, is any being planned?

2. Is there a possibility that Canada will delay its change to metric conversion to coincide with a decision by the United States in this regard?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: 1. (a) Yes, some assistance may be granted under the terms of Revenue Canada Interpretation Bulletin IT-348. (November 2, 1976); (b) Refer to 1(a).

2. The U.S. Metric Conversion Act was signed into law on December 23, 1975 by President Ford. Over one hundred sector committees in Canada are planning and scheduling metric conversion, each in accordance with its own supplier and customer needs and constraints, including those of suppliers and customers in the United States.

[*English*]

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

Mr. Cossitt: Mr. Speaker, I rise on a point of order in regard to question No. 1 on the order paper, which has been outstanding since October 12 and was also on the order paper in the last session of parliament. This question concerns William Teron of Central Mortgage and Housing Corporation and asks for the amount of government business that he, or companies with which he is associated, has received since April 20, 1968. It seems to me all this time, which is in effect over a year, would be sufficient for the government to answer this question. I feel I have a legitimate point of order in drawing attention, as I have before, to the fact that it has not been answered and ask when I can obtain an answer.

I would like to draw attention to questions 29 and 30, and certain other questions too numerous to list, all on the subject of the use of government aircraft by cabinet ministers. I am referring to one in particular concerning the Minister of Agriculture. The question asks for the cost of 32 trips which he made with his relatives at public expense. Those questions have been outstanding for a great deal of time.

An hon. Member: He is a jet setter.

Mr. Cossitt: There is no reason that this information should be held back, curtailed or kept from parliament, simply because the Minister of Transport got his fanny burned when he answered one of my questions last year on the number of trips he made which amounted to three-quarters of a million dollars. I think it is time we learned how much of taxpayers' funds all these people have spent to become a jet set and fly all over Canada at public expense. I would like to hear the Minister of Transport reply to this point of order and explain why those questions have not been answered.

[Mr. Marshall.]

GOVERNMENT ORDERS

AIR CANADA ACT, 1976

[*English*]

MEASURE RESPECTING REORGANIZATION OF AIR CANADA

The House resumed from Friday, May 27, consideration of the motion of Mr. Lang that Bill C-17, respecting the reorganization of Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have only a couple of minutes left. I just want to conclude my speech by saying, as I was at noon, that I thought the management, and indeed the Department of Transport, would find it to their benefit if they could solicit some of the expertise available from their own employees in making decisions in certain policy areas.

As a final thought, I would like to protest, on my own behalf as well as on behalf of other members, the lack of accountability implicit in this government, and the department, as exemplified by not having had the executives of Air Canada before the relevant Standing Committee of this House, that is Transport and Communications, since 1973 at which time it was only the 1972 annual report that parliamentarians were able to consider. During the past four years undoubtedly many matters of interest to the airline, to aviation and to the country could have been and would have been discussed. The people of Canada ought to know it is not the fault of Air Canada that they did not appear before the committee. The airline was ready, willing and able to do so. It is not the fault of parlia-

ment that they did not appear. It is simply the fault of the government, which does not particularly believe in accountability, even when it pertains to its own Crown corporations.

● (1510)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I was pleased to listen to the remarks of the previous speaker. He has a great interest in Air Canada, as have many other hon. members. I, too, am concerned that the changes which are being made are not necessarily in the interest of Air Canada but rather are in the interests of civil servants and the government, who want to have more say in the operation of Air Canada. I listened with interest to the charges which were being made about the unwillingness of Air Canada to schedule flights in the maritime provinces at times which would meet the convenience of people travelling into central Canada. While I have no particular interest in Air Canada from that point of view, Air Canada having left my part of the country and having left much of northern Ontario and northern Quebec, I still am interested in the development of a national airline which can bring the parts of Canada which are easy to service and unite together with those areas which are not so easy to service.

There seems to be little interest on the part of the national carrier to have schedules which would provide domestic travel service which would be a unifying factor in our country. Second, it seems to me that Air Canada should have on its board of directors those people who run the airline. Others have mentioned this, particularly the previous speaker. As the previous speaker said, it may be necessary to have representatives from the civil service, if it is the intention of the government to allow the civil service to have some say in the running of the airline. If that is the case, some civil servants should be on the board of directors and should take some interest in how the airline is run. There should also be representation on a regional basis.

The airline should be able to do something it has not yet been able to do. It should be able to set up a sales agency to put together package tour arrangements, which Air Canada has totally failed to do up until now. True, Air Canada has been operating Sunflights, but it has never been able to break even. It has never been able to make any money, and it has never understood why it cannot handle tourist traffic to other countries. It is quite likely that if Air Canada were able to get into the tourist field and succeed, it would be able to afford the kind of aircraft it needs and to make better utilization of that aircraft. We can use Quebecair and Nordair as examples. Quebecair and Nordair under no circumstances could afford the type of aircraft they have if they were used only for domestic purposes. They are flying Boeing 727's, Boeing 737's and several other aircraft which they in no way could afford for their domestic travel only. They would not be able to keep up the payments on those aircraft if they depended on their domestic scheduled routes, but they have been able to utilize those aircraft at the weekends. In fact, Nordair flies each aircraft back and forth to the Caribbean four times per weekend. If tourist operators are using those aircraft, they are likely filled to capacity or near capacity, which would be unlikely on a seven day basis on scheduled flights.

One thing Air Canada has never been able to do is relate its prestige to domestic needs. I am sure the government wants to have prestige aircraft flying the flag of Canada in other countries, and I am surprised at the fragmentation which has taken place in the airline. For years I have travelled Air Canada. Air Canada once went from Montreal to Ottawa, Val d'Or, Rouyn, Earlton, North Bay, Toronto and back to Montreal. It covered half the continent with one aircraft and did a reasonable job. However, that type of schedule will not carry the traffic—if it is operating twice a day—which would warrant the use of DC-9's. In fact, I doubt whether the Viscount was feasible on that run. The Viscount has been phased out. I do not know what happened at the management level of Air Canada, but obviously it should have looked at some of the ancillary areas it was going to service, and it should have provided an aircraft for those areas.

There is nothing wrong with DC-9's. Someone mentioned that he would much rather travel on a DC-8. Well, I suggest he talk to an engineer about the DC-8. He might find that it might not be as attractive to travel on that aircraft as he thinks. We should have a small aircraft, but Air Canada has never purchased one. Presently I travel on a commercial scheduled airline which flies DC-3's. There is nothing wrong with DC-3's. Perhaps new DC-3's should be built. Some of the DC-3's I am flying on now have a lifespan which is almost, I suppose, as long as my own. Many of them are Second World War aircraft, and they are doing a fairly good job. They are economic on short runs. However, in Ontario we have also had to develop a provincial government airline. I think the fact Air Canada was providing much of the rest of the country with the kind of aircraft which could fly those small scheduled runs had some merit. Air Canada now has a very expensive and normally efficient reservation system which operates by computer, and I think it does a reasonably good job. Most of the small ancillary airlines cannot provide that kind of service unless they are tied in with Air Canada. Recently some did become tied in with Air Canada.

I fly First Air, which is a commercial operation of Bradley Air Services. Bradley is now flying an Otter between Ottawa and Montreal, to Mirabel. Because Bradley is going into Mirabel with that Otter three times a day, Air Canada is quite happy to put Bradley on the computer. First Air now goes to North Bay and Sudbury, and it is also on the computer system because of the arrangement which was made for Mirabel. It seems to me that the management of Air Canada should have a choice of what to do.

I am not happy about CP getting into the national domestic routes in Canada because I am not sure that 22 million or 23 million people can carry the overhead which is necessary to operate two international companies. Certainly CP and Air Canada are fairly large international airlines, considering the size of our country and the length of the trips those airlines have to make on scheduled runs outside this country. If we go into the international field, we have to have aircraft which are

capable of doing the job. We should also be handling many domestic routes in this country, and they should be either operated in conjuction with Air Canada or in partnership with them. It was suggested some time ago that we buy into Wardair. The reason for that was not that we needed their aircraft. All we needed was Tom Ward's expertise in the field of package tourist operations. I was opposed to our buying it because I was of the opinion that rather them buying it we should take over the operation. In addition, I was frightened of Air Canada getting into any other field than flying airplanes.

● (1520)

This is what happened to the railroads. We allowed CNR to buy and operate hotels, to buy real estate, smelters, truck lines, and so forth. Pretty soon they were making more money out of their subsidiaries than they were out of the railroads, so they quit running the railroads. They did not put any balast on the tracks and they did not fix their running equipment. They were operating railroads on the basis of a little bit for the railroad and a whole lot for the subsidiaries which were more valuable to them. So I was opposed to Air Canada setting up subsidiary companies unless they were directly related to the running of the airline, and I am still opposed to it. It seems to me that if Air Canada is to be successful, if it is to operate for the people in general rather than for a small group of businessmen, it should concentrate wholly on running the airline.

Part of the problem stems from the businessmen. Air Canada rates have gone up tremendously. Why are members of parliament not complaining about Air Canada rates? The reason is that the government pays for the tickets. The government also pays for every businessman who travels on the airline by means of tax exemptions, so that nobody really cares about the cost of the tariff on the scheduled airlines. I am sure I do not know whether the tariff is reasonable or justifiable, but we pay for the airports and for all the facilities at the airports, for weather reports and radio control as well as all the services that are provided. All the airline does is rent space. So we should be looking at the fees for scheduled airlines and whether or not the public is getting good service for their money. It is my opinion that in many areas of this country the public is not being well served by Air Canada simply because the airline is not supplying the kind of aircraft that is needed to meet the needs of the people.

It was interesting to talk to people in western Canada on this subject. There are many westerners here today who can probably comment on the services of Air Canada. The ones I spoke to told me they could not fly on scheduled Air Canada flights between Edmonton and Calgary for two reasons—and this is something that Air Canada should consider. One reason was that the aircraft landed way out of town and it was difficult to get into town from the airport at which they were landing. Second, the airline was operating on a schedule that did not satisfy the business community or the travelling public. The last time I was in that area we travelled on what they call an airbus. You buy your ticket and stand in line for a flight that leaves every hour on the hour and comes back on the half hour. It takes off at the municipal airport right in the city, and there is not much waiting at either end.

Mention has been made of the Mirabel airport. There is an easy solution to the problem at Mirabel and one that we should consider very shortly. The advertisements you see in the newspapers from Boston are only the beginning. There are few airlines that will agree much longer to go through the hastle with their customers that they have to go through now in Mirabel where passengers have to transfer to the domestic routes at Dorval. Very few airlines will put up with that for very long. They will schedule all their flights into Montreal or into Boston where services can be provided. We made a mistake with Mirabel. This government has made lots of mistakes. I do not know whether our mistake was in building Mirabel or in keeping Dorval, but it is my honest opinion that we should either close down Dorval or close down Mirabel and operate only one airport from which passengers can travel either overseas or within the country. I do not care which airport is closed down.

It would seem to me to be more sensible to close down Dorval because we have built this monster at Mirabel and no one likes facing the fact that we made such a bad mistake that we must close down the new airport. Nevertheless, we should make a decision. There are many passengers now travelling through both Mirabel and Dorval, whereas a couple of years ago they were only travelling through Dorval. Dorval can handle the passenger traffic and, I dare say, so can Mirabel, but I suggest that one of the things that we better do very shortly is close down one of those airports and arrange for the traffic to come into the gateway of Canada, whether it be at Mirabel or Dorval so that people can transfer to domestic flights at the same airport. This would make things much simpler for people travelling with a lot of luggage. It is surprising that everyone coming from overseas has more luggage than they need, a lot more luggage than they have on domestic flights. This creates a problem if you have to travel 29 miles to reach another airport and go through the same hastle at the second airport as you did at the first one.

So I suggest that if we are really serious about helping Air Canada to continue to grow, a good way to do it is to establish a board of directors rather than having the governor in council make the decisions. The board of directors should answer directly to the Minister of Transport (Mr. Lang). He might as well run the airline. This might facilitate some things for him. Perhaps arrangements could be made which he could not make otherwise. The board of directors should be able to make decisions for Air Canada and the minister should be aware of the troubles at Mirabel and of the ways to solve them. Secondly, Air Canada should look for a 25 to 35 passenger aircraft to replace the old Viscount. I suggest that we should not take the Viscount out of mothballs. Even the Canadian government is not rich enough to afford the gasoline that plane guzzles. That was never an efficient aircraft at any time and to get it out of mothballs would be a regressive rather than a progressive step. There are small jets today that are available at a much smaller price than a DC-9. They can handle 25 to

35 passengers. They can provide service on those runs where aircraft of this type can normally be efficient and meet the needs of the community.

I think that much of Air Canada service has to be related to passengers coming off domestic flights to the trans Canada corridor or going to the international corridor, and certainly with the expenditure we have made on accounting and computerization in Air Canada, this could be utilized by all those making connection with the service from the feeder lines. Much of that could be done by Air Canada itself. I hope that before long the Minister of Transport will give us some indication of what he will do about the Mirabel problem. I hope he will give some indication of what he is going to do about the problems of the regional carriers. They are providing competition in a field that I think Air Canada should be involved in, that is, package tours. Schedules in regional areas could be more efficient if they could be interrelated the way train schedules used to be. When you came to a junction you could transfer to another line within a reasonable period of time. But the airlines have not so far made any such arrangements.

● (1530)

I think the changes being made in accounting are worthwhile. I agree with those members who said the minister should not be afraid to ask for the assistance of members of parliament for a reference of the Air Canada annual report to the Standing Committee on Transport and Communications. Members would have an opportunity to make their contribution to problems in their area which do not appear to be understood by the officials of Air Canada.

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I should like to congratulate my colleagues who have taken part in the debate and to commend them for some of their constructive suggestions. Air Canada is one of the best airlines in the world and as I look back over its 40 years of service to Canada I am proud of it. As a Canadian, I regard Canada's airline as my airline. It is owned by all Canadians. I want to see it improve. I want to see it serve Canadians better. I want to see Air Canada become an instrument for national unity and I want it to become an instrument to unlock the dynamics of growth in areas of regional disparity.

To achieve this purpose it becomes extremely important that the board of directors of Air Canada should have as its members persons drawn from every region of Canada. The lines of communication between government and the board of directors should be strong enough to ensure that government policies will be clearly interpreted and reflected in Air Canada's policies. At the same time, the operation of the airline should be the responsibility of the professional staff who are accountable for their performance to the board of directors.

It is important that government be plugged into the operation of our national airline to ensure that the national purpose is served and that the privileges it enjoys are properly exercised and also to prevent unfair competition by a national Crown company with regional air carriers. To achieve this purpose it is not necessary and most certainly not desirable that the government should be involved in the day-to-day operations of the company. It should not inflict on the company its judgment in matters where it has less expertise.

The requirement that bylaws of the corporation must first be approved by Cabinet before they have any force has the favourable effect of giving the government an insight into the operation of the corporation and enables it to control changes contemplated by the board of directors. On the other hand, it also undermines confidence in the board of directors and inflicts on government the role of being a corporate babysitter with a mass of paperwork to do. The ponderous and foot-dragging result is that the corporate structure of Air Canada would be weakened and government would be the villain for holding Air Canada back from making decisions in time to compete effectively in the market place. I suggest that a more efficient process would be for the Minister of Transport (Mr. Lang) to have a personal representative on the board of directors—the government after all will soon appoint all directors—and this personal representative could keep the minister and the Cabinet informed of all activities of the board, including bylaw changes. It may also be possible and desirable that the minister be made an ex officio member of the board of directors.

The expanded role of Air Canada in a wider range of activities and the opening of new avenues for finance causes me to have mixed feelings. The entry into the hotel business, if it is profitable, can stimulate the air carrier segment of its business and hopefully reduce fares. On the other hand, losses in this field could have the opposite effect. If Air Canada is to compete effectively it needs a broader base of operations and the additional powers proposed in this bill. The use to which these powers are put and the degree to which the airline moves in the national interest of Canada will be the test of the quality of leadership of the people whom the government puts in charge of the airline and therefore of the government itself.

It is in my view extremely important that Mr. Justice Estey's recommendations delivered following the Air Canada inquiry of October 1975 be followed in one respect. I should like to quote the paragraph to which I refer:

> The Air Canada Act should provide a channel for the government or the responsible minister to issue to the board of directors of the corporation policy directives where the national interest from time to time requires. Where the national interest requires the corporation to undertake routes and projects where it will be demonstrably impossible to operate at a profit in the commercial sense, the airline should undertake them for the account of the government and be reimbursed accordingly.

The reason I am so concerned about this section is that I am not convinced that transportation is now being used as a development tool in areas where other government departments and policies are attempting to focus on the root causes of regional disparity.

In the new summer Air Canada flight schedule, the city of Fredericton, which serves central New Brunswick, will lose a morning flight from Montreal and a return flight to Montreal at noon hour each day. This will result in the reduction of air seat capability and an equally severe reduction in air cargo transportation. Air Canada must feel this reduction is neces-

sary to cure its economic problems but it may well create them for people in New Brunswick.

The hard-nosed decision to retrench air service to central New Brunswick is a serious rejection by the federal government of the use of transportation as a development tool. It makes a mockery of the government's commitment to a policy of regional development. Indeed, this cutback was undertaken without the prior knowledge of or notice being given to the Minister of Regional Economic Expansion (Mr. Lessard). The war on economic disparity cannot be won in Canada by the Department of Regional Economic Expansion itself. Neither can it be won by our national airline. It requires the concentration, the combined efforts and the focus of all departments and Crown agencies, on the problem. It is not enough to have DREE spend millions of dollars on worthwhile projects in New Brunswick and other areas of Canada if the effect is to be eroded by the failure of the government to focus its fiscal, monetary, tariff and transportation policies on the same goal.

Fredericton will hold a large number of conventions this year, including over 5,000 people to the Learned Societies' conference for which Air Canada plans to put on extra flights. My initial calculation indicated that some 48 extra flights would be required; my last inquiry indicated that at least 20 were already sold out and ticketed. Extra flights were required for the graduation at the University of New Brunswick. These are only two of literally dozens of conventions and conferences that will take place during the tourist season in New Brunswick. Because the provincial and municipal governments in New Brunswick are working with the federal government to creater a climate attractive to Canadians who wish to invest in tourism—one of the principal businesses in New Brunswick—we can see evidence of new developments.

New Brunswick is trying to move ahead. For example, a Howard Johnson's motel is just about ready to open its doors in Fredericton and what happens? Because the government does not have the structure or the desire or the knowledge, our national airline celebrates the opening of the tourist season in New Brunswick with a serious cutback in facilities. It is not the fault of the airline. I realize full well Air Canada cannot be expected to fly empty planes around the sky and I do not want them to do that, but I feel the government should enable Air Canada to balance what appears to be an outstanding tourist year against an investment in our tourist industry and the development of our region.

I would like to see the accent put on more passengers at lower fares for the same or better dollar volume. We are already losing some passenger and cargo service to Delta Airlines in Maine. We have on occasion filled the flight being cancelled. On April 20 for example, it was over-sold and had to leave some passengers on the ground. Air charter seats allotted to our area were booked before the advertisements ran out. I had hoped the profits Air Canada makes from the extra flights put on to serve the Learned Societies' conference and other conventions and conferences would enable Air Canada to maintain its existing direct air ties between Montreal and Fredericton at least for the tourist season.

[Mr. Howie.]

Excluding Eastern Provincial Airways, the Air Canada retrenchment means that our national airline will have only one flight leaving Fredericton from Montreal which connects with ongoing flights west. A later flight terminates in Montreal.

We have no rail passenger service to New Brunswick's capital city and the cutback in air service is a serious blow. It may be necessary for Air Canada to break even on its profit and loss account; but I wish the government could enable it this once to invest in New Brunswickers and display its faith in our ability to attract visitors to this most beautiful part of Canada.

I feel also that in the national interest we should do everything we possibly can to enable Canadians to travel to all parts of this great country and get to know and understand one another. There is no magic formula or blueprint for national unity. There is only human decency, understanding and tolerance—these are the things that made our country and these are the things that can preserve it. We do, however, have to learn to communicate it and one of the ways we can communicate is through our national airline operating at a break even point with unprofitable lines clearly designated and subsidized by our government.

● (1540)

I like the amendments to the act which will enable the government to provide compensation for unprofitable routes in the national interest. I should like also to see the department of Regional Economic Expansion and our provincial governments directly involved in the selection of the routes to be compensated. I feel that this can be accomplished without undue interference or involvement in the day-to-day operations of the company.

One final matter: I should like to see the Auditor General much more involved with the Air Canada audit. Perhaps an external audit under the general direction of the Auditor General should be considered, but I am not clear whether the Auditor General has the power to act as a joint auditor. I think it would be a good idea if the Auditor General could direct external auditors to pay particular attention to some point or, at his option, personally intercede to direct the external auditors; or with his own staff, he might expand the audit into any area he considers necessary. This point perhaps can be taken up in committee.

In conclusion, I pay tribute to all that has been achieved over the past 40 years by Air Canada and hope, when the new act is proclaimed in its final form, that it will enable Canada's airline to fly the skies safely, and make a great and effective contribution to national unity and to resolving the problems of areas of regional disparity. I certainly hope the contribution parliament makes to our national airline will enable it to have as much faith in us as we have in it.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, it gives me great pleasure to participate in this debate. I will not delay unduly second reading of this bill. Actually, I think I am the

last speaker on this bill on this side of the House. The debate on this measure has been excellent and hon. members have exposed many points which they think merit consideration, and have voiced their concerns. Though we all consider this bill important, we should note that the government first introduced the bill on October 28, seven months ago. Surely it could have given it higher legislative priority, particularly since we do not often have the opportunity to examine the workings of this large and important Crown corporation which affects many Canadians one way or another. It is unfortunate as well that the minister saw fit to bring forward this bill at the very time when the transport committee is travelling in eastern Canada, examining various transportation problems in the Atlantic provinces. I suggest the minister has shown contempt for the work of the committee, many members of which would like to participate in this debate. Owing to the demands of travel to Atlantic Canada, they are unable to participate.

I am greatly concerned because there is no provision for regular review of Air Canada's activities. I think a committee of the House last considered an annual report of the corporation back in 1973. Since Air Canada is a large corporation, operating with an investment of approximately $1 billion of taxpayer money, and since it is our national air carrier and carries many Canadians, surely it behooves the government to order the company to appear regularly before a parliamentary committee and thus be accountable regularly to its shareholders, the people of this country. I hope, when this bill is in committee, we shall be able to enshrine either in the legislation or in some regulation a requirement for Air Canada to appear every year before the appropriate parliamentary committee. At least, it ought to appear when so ordered by that committee. Such provision would serve not only the interests of members of parliament and the House, but would be beneficial to Air Canada. I would improve the efficiency of Air Canada's operations and of its management.

Air Canada is often criticized for its service, and I suggest many complaints and criticism are justifiable. However, I suggest if Air Canada's management were to appear before a committee regularly, it could set the record straight and answer charges and criticisms levelled against the corporation from time to time which are not justifiable. Many hon. members in the last few days have criticized Air Canada for its inadequacies and shortcomings. I point out that we criticize the airline with the hope of improving its operations. Our criticism was not meant to be destructive. In that connection let me say that, though I have often criticized Air Canada in the past, I think the airline's senior management under its newly appointed chief executive officer and president, Mr. Claude Taylor, is doing a good job. Since taking over the running of the corporation, Mr. Taylor has done well. He and his associates have made decisions which have made our national airline function reasonably efficiently. The airline's employee morale has improved. Drastic steps were taken to cut costs, improve efficiency, improve the utilization rate and increase productivity. By and large, the new president and his board have made determined efforts to make Air Canada profitable.

The people of Canada hold various views about Air Canada. The airlines national task is not an easy one to fulfil. Many Canadians expect much of Air Canada. Bearing this in mind I say that, on balance, the new management has done a good job. It listened to and dealt with criticisms. However, no airline is perfect.

Many hon. members have complained about scheduling and frequency of service, with reason, I suggest. Although we complain, we must remember that one must balance costs, the cost of utilization against the cost of energy. I know, as well, that the Commissioner for Official Languages has used Air Canada as his favourite punching bag. The president of Air Canada has been preoccupied with attempts to implement some of the recommendations made in the Official Language Commissioner's report. A recent report makes 146 recommendations. Some of them arose from a recent study of the corporation's eastern region headquarters, and some appear unrealistic. Actually, some of them will tend to hurt the morale of employees and the operations of the airline, and may go far to erode the good will built up under Mr. Taylor's leadership. I hope, perhaps while we are considering this bill or when the committee has the chance to examine the company's annual report, that we can explore the recommendations and criticisms the Commissioner of Official Languages has levelled at Air Canada.

We have heard only one side of the story. I know the people working in ticket offices and on counters have been somewhat apprehensive about recommendations the Commissioner for Official Languages has made, and are even more apprehensive in case some of them will be implemented.

As others said, this year we celebrate the fortieth anniversary of Air Canada's establishment. During the past 40 years, no fundamental amendments have been made to the Air Canada Act. It is fair to say, therefore, that this bill is long overdue. In the 40 years since the first Air Canada Act was proclaimed, the corporation and the society in which it operates have undergone phenomenal growth and change. In that sense, one of the major failings of this particular piece of legislation is that nowhere in the bill is it spelled out what the mission and the role of Air Canada is intended to be.

● (1550)

It has been cited time and time again by former executive officers and particularly emphasized by the former chairman of Air Canada, Mr. Yves Pratte, who had this to say in testimony before the Standing Committee on Transport and Communications on June 22, 1971, and I quote:

> The basic problem in so far as we at the management level are concerned is that we do not know what the mission of Air Canada is. We wish we knew. It is awfully difficult to manage any organization when one does not know what the purpose of the organization is: when you are told on the one hand that the purpose of the organization is to be as profitable as any private corporation and, on the other hand, that you are to provide service at all cost.

The basic problem is for the government to define the role and mission of Air Canada. If that is defined, I am satisfied that we can do the job; but it is not up to us to decide what our role is.

Other speakers have pointed this out. Surely this is an appropriate time to define the role and the mission of Air Canada. Is it to provide a service at cost or is it to show a profit? Surely this legislation should provide that direction.

If Air Canada is to be a profit oriented corporation, as recent policy statements by the government seem to imply, the provisions of this bill should clearly state that. It would have the advantage of giving potential investors more confidence in the commercial orientation of this corporation. It would clear up the somewhat unnecessary ambiguities and uncertainties which are in this bill. In this connection, I want to quote somewhat extensively from a document entitled "The Evolution of Transportation Policy in Canada". It was written by Mr. John R. Baldwin who at one time was the president of Air Canada. He is dealing with the operations of two major Crown corporations, Air Canada and CNR. He states at page 41 and I quote:

There is no clear public definition why it is important that they—

That is referring to Air Canada and CNR.

—be publicly-owned or what the government expects from each that is different from private competitors. Greater responsiveness to government policies, willingness to act as a "model" corporation, and the need for a governmental instrument are generalities that have been used but mean little unless defined more specifically in a complete context of goals. Air Canada, worried by this situation a few years ago, prepared and submitted for approval to its minister a set of objectives. The company was told they were satisfactory but I would have been happier if they had become a public document opened for parliamentary debate. This could have resulted in some concurrence on the nature and purposes of public ownership, on corporate objectives, and on public expectations. The need is made greater by the insertion in the NTA of transportation principles with their commercial orientation.

I hoped something of this sort would emerge in the new Air Canada legislation but the bill submitted for first reading is silent on this point. An opportunity remains for the matter to be brought forward in parliamentary debate. I believe the same comment on value of broad parliamentary agreement on goals and objectives exists for CNR as well. I am aware that not all management may agree, some preferring the greater flexibility of a purely internal definition of objectives.

My attitude is influenced by other aspects of the first public draft of the new Air Canada legislation. While it would (or in some cases could, since permission from government would be needed) give Air Canada badly needed broader powers and improved capital structure, about 80 per cent of the principal operative clauses reserve a discretionary authority for the Governor in Council. This is a tremendous amount of power to place in the hands of the bureaucracy. It could nullify some objectives of the bill or allow intervention in management matters to a degree that would reverse the hitherto good record of government in regard to reasonable freedom for management. The Board of Directors, whose powers and role are nowhere defined in the legislation, could find themselves with little in the way of a useful role. My fear, incidentally, primarily centres on the temptation for the bureaucracy to intervene in management even more than of the intent of the Governor in Council to misuse its authority. I cannot believe that this situation will pass unnoticed.

That summarizes some of the concerns that members on this side of the House have expressed in connection with this legislation. Coming from an authority like Mr. Baldwin, it certainly deserves some very serious consideration. I hope that during the time we consider this bill that this passage will be considered in a serious manner.

[Mr. Mazankowski.]

The bill provides authorization for Canada to engage in activities which are not currently permitted. This act brings the question of the role of the corporation into even greater light. The proposed act broadens the capacities and activities which the company may undertake, both within and outside Canada. Aside from operating the business of an air carrier, there are references to hotels and other accommodation, surface vehicles and facilities for the transportation and housing of persons, goods and mail, services, facilities and equipment for organizing and conducting tours, catering and providing other passenger-related services, including reservations for transportation and accommodation, and computer and teleprocessing systems and technical, advisory and consulting services.

Generally the increases in these activities are good for the company. They will give it an opportunity to provide a more complete travel package. The act does this, and it is something that Mr. Baldwin referred to in his critique of the bill. All these things have to be authorized by the governor-in-council. There are two matters of concern in that connection. First, there is the potential danger of undue political interference or influence and bureaucratic intervention. Second, there is concern that it could allow the company to extend into "for-hire" trucking services, something about which the Canadian Trucking Association has expressed justifiable concern.

The Canadian Trucking Association argues that there is no reason for Crown corporations functioning in the rail or air mode to engage in "for-hire" trucking in competitions as it were to the primary function of said corporation. "For-hire" trucking has proved to be one mode where private enterprise can provide adequate service and effective competition in practically all parts of the country. I know the minister has responded. He attempted to allay the fears of the Canadian Trucking Association in this area. However, I do not believe that his response and explanation are satisfactory. We will consider that area quite thoroughly when this bill gets into committee.

Bill C-17 brings about an authority and mechanisms for transferring the ownership of Air Canada from CN to the government directly.

● (1600)

I think it is fair to say that the CN connection has in the past had the effect of allowing Air Canada management to effectively circumvent parliamentary control. Air Canada has received money from CN rather than directly from parliament, as well as advances of funds; a significant amount of money has been advanced in this way without reference to parliament and without any degree of accountability. The principle of trying to separate Air Canada from the CNR is one which we in this party have advocated for some time and we are very pleased that it is contained in this legislation. The former minister of transport, now Secretary of State for External Affairs (Mr. Jamieson) made reference to this back in 1969.

A large part of the bill deals with the financing of Air Canada. Authorizing more common shares is rather a non-issue at present, but it may have some bearing in the future if some or all of Air Canada is transferred to the private sector. Allowing the corporation to borrow on the private market would seem to be a step in the right direction. We note that all borrowing must first be approved by the Minister of Finance. It would seem that government control is being extended into the day to day operations of the airline, and this is something at which we must take a serious second look.

The government seems to have followed Judge Estey's recommendation only half way. He said in his report that the position of the board of directors as the ultimate authority in the corporation should be improved by enlarging the board and forming an executive committee of the board. The management set-up of Air Canada has been changed to allow for this change, but the rest of the bill, in my view, circumvents it in spirit. Clause 7 is a good example. We read that all bylaws made by the board have to be approved by order in council. This crops up again in clause 8 wherein it is said that Air Canada should provide a channel for the government to issue to the board policy directives where the national interest requires.

It would appear that, here again, the government has completely lost the spirit of the Estey report. Clause 8 gives the government sweeping powers to control Air Canada. Simply stated, the act tells Air Canada to comply with any directives which it is given. No limits are placed upon what directions are permitted. To my mind, this is inexcusable. A provision in clause 9 states that the governor in council may—it is not obliged to, but it may—pay compensation to Air Canada for operating unprofitable routes in the national interest. This, surely, should be clarified. We should be told how the losses are to be calculated and how the operation is to be carried out.

A number of clauses require clarification. In some cases we find ambiguities and contradictions in the legislation, and we hope we shall be able to refine those clauses so as to make them consistent with what should be the principal thrust of the legislation. The question of auditing has been raised by other members. This issue raises the question of political pork-barrelling. Surely, if the management of Air Canada is to manage, they should have discretion in this particular area.

In summary, the principle of the bill is, in our view, long overdue and we certainly support it. We feel that the wording has taken it past the major recommendations of Judge Estey in connection with the revamping of the corporation. This is one of the first occasions on which we have had a clear analysis of the workings of the airline. We feel the bill grants undue power to the governor in council and that it could amount to what one might refer to as a supermanagement level of the public service to oversee the normal management of Air Canada, and we have some apprehensions about that.

These features could tend to transform the corporation into an agency of government rather than a commercial enterprise. Subject to appropriate government directives and control measures and accountability procedures—and I must say that the word "appropriate" must be stressed here—the direction and control of the corporation should be vested in the board and in the management, and I cannot reiterate enough the fact that the corporation should be accountable to parliament, to the House of Commons, through the relevant committee.

I do not think Air Canada should be called upon to pay for some of the sins which have been committed by other Crown corporations. We have no choice but to accept as given that Air Canada is, and should be, professionally and responsibly managed. If that is not the case, the government has the means of changing the board and the management. Nevertheless, the government should not tie the hands of the company or set up a control mechanism which would demoralize the corporation and make it unattractive to those with the skills necessary to operate it at its best level.

I believe that if the corporation is given permission to manage itself within a defined set of government policies similar to the operation of a private airline and consistent with good business practice, without undue government interference, the nickname "Err Canada" may very well disappear for good. Indeed, Canada's national airline might well become an airline of which all Canadians can be proud.

We are pleased to see that this bill will now move to committee. We shall, naturally, have some amendments to introduce at that stage. We hope we shall have an opportunity to call witnesses to obtain their views and clarification of certain points. We hope, also, that the minister will be receptive to some of our suggestions, because it is in our interests to make the bill a better piece of legislation so that the Crown corporation can go forth and become a transportation entity of which we as Canadians can be proud.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to take the time of the House for a few minutes to put forward some thoughts on Air Canada. It has long been a point of thoughtful observers that if the federal government ever got around to making a start in seriously cutting down spending, a useful place to start would be Air Canada. Air Canada has become fat and lazy. It has a monopoly of 75 per cent of cross-country routes, and one would have to be a very placid traveller to call the service provided much more than an indifferent one.

It is obvious we should have competition wherever possible, and in connection with the airlines it is one area which could certainly be more meaningful. But I note that the head of Air Canada has always decried the American practice of having a number of airlines competing with one another. I think it ill behooves the head of Air Canada to express such an opinion, since Air Canada has a monopoly of 75 per cent of the cross-Canada travel, come what may. CP Air and the five regional airlines would certainly be willing and able to play a more extensive role than that allowed them by the federal regulatory authority.

● (1610)

Although there is much competition in the field of railways, there is a place for it, too, in the matter of air travel. The routes which Air Canada finds least attractive are still served by private carriers at a profit, which just goes to show that Air Canada does not need to use the argument that it has "milk runs" which do not pay and hence cause a deficit. The government has protected Air Canada and set it apart from potential competitors. That may have been necessary at the beginning. It reports directly to parliament while other air carriers are governed strictly by the CTC. Air Canada, by and large, is given the most profitable routes while other airlines must be content with routes which the national airline does not want. Because Air Canada has been so zealously protected by the government, it has not been efficient or cost conscious and certainly compares unfavourably with U.S. airlines of comparable size.

Air Canada has really had everything its own way. If it wanted a route, the regulatory authority favoured its pet. An example of this was provided when Nordair applied in 1973 for a set service linking Thunder Bay, Sudbury, Ottawa and Montreal. It was a one-day flight. The CTC turned down the application when Air Canada undertook to provide comparable service, but the scheduling was such that it required a two-evening stay in Montreal for a one-day business trip.

The influence of Air Canada on the negotiators in the Department of Transport can certainly be noted. In recent trans-border allocations of routes Air Canada received 19 out of 20, the lone exception going to CP Air. In my own province of Manitoba, Transair would have been immeasurably helped by having at least one route allocated to them. It is significant that three U.S. airlines are flying out of Winnipeg south to Chicago, Minneapolis and Denver, with no Canadian alternative. As I understand it, the possibility of CP Air or Transair being allocated routes in other parts of Canada was under negotiation, and Air Canada has not even taken up some of the routes negotiated on their behalf. I feel that this crass cringing to the wishes of Air Canada by the Department of Transport is one reason CP Air has been failing to show a profit and is undergoing hard times. In any case, Air Canada always tends to show a loss.

For western Canadians, Air Canada has come to signify a largely eastern dominated airline, bringing with it the problem of language. One of the problems faced by Air Canada employees in the city of Montreal, which is its major base, is use of language. The Official Languages Act provides that in any public facility there should be a person available who is competent to speak one of the two official languages. As I say, use of one language or the other in maintenance work at Air Canada has now become a bone of contention. As I understand Bill 1, the Quebec legislature wishes the language of work in Quebec to be French. I have no quarrel with that, but it does create problems for a national airline like Air Canada. Should its employees be required to work only in French, and would this detract from their efficiency and the movement of Air Canada employees across the country? So far as cabin crews are concerned, we would all agree that facility in the second language should be available at all times. But does this mean that all cabin crews must originate from Montreal, to the detriment of potential cabin crews in other parts of the country?

One of the ways to solve the problem of competition would be to revoke Air Canada's 75 per cent cross-country monopoly which it has. This could be done in stages so Air Canada could adjust to the increased competition. It may not be able to retain its 75 per cent of the traffic. This bill seems to make very doubtful the proposition that Air Canada will be any more efficient or economic than it has been in the past. As I have said, the airline is associated essentially with eastern Canada; western Canadians look on CP Air as their airline. Pacific Western Airlines is also expanding and becoming a larger regional airline. I hope that this bill will answer some of the questions concerning Air Canada, but I doubt that it will.

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

* * *

EXPORT DEVELOPMENT ACT

MEASURE TO INCREASE THE MAXIMUM LIABILITY OF THE CORPORATION AND CREDIT GUARANTEES

Hon. Ron Basford (for the Minister of Industry, Trade and Commerce) moved that Bill C-47, to amend the Export Development Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Mr. Basford (for Mr. Chrétien) moved that the bill be read the third time and do pass.

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, this bill, Bill C-47, to amend the Export Development Act increases the maximum liabilities for export credits insurance and guarantees. Specifically, by amending section 26 of the act the maximum liability ceiling on insurance written for the corporation's account would be increased from $750 million to $2.5 billion. By amending section 28, the ceiling on insurance written for the account of the government would be increased from $750 million to $1 billion. This amendment to the Export Development Act will raise the present statutory limit for insurance and guarantees such that EDC may meet the full requirements of Canadian exporters through to the end of 1978.

All hon. members are aware that success in international trade is absolutely essential to the health of the Canadian economy. The export credits insurance program of EDC is a critical factor in facilitating exports. Mr. Speaker, some 25 per cent of our gross national product is attributable to Canada's exports to foreign countries. The more successful our exporters are, the more our manufacturers will be required to manufac-

ture more goods in order to meet their requirements, and in turn will be able to provide more employment, which is so needed at this time, for many, many Canadians.

● (1620)

The bill has had thorough discussion in committee covering all aspects of the operations of the Export Development Corporation. The co-operation and understanding of the importance of this measure by all members of the committee has resulted in an expeditious passage. Therefore, I would recommend that Bill C-47, to amend the Export Development Act, as reported from the Standing Committee on Finance, Trade and Economic Affairs be passed by this House.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, as was indicated by the parliamentary secretary, this bill had three sessions with the Standing Committee on Finance, Trade and Economic Affairs. The fact that it required three sessions should be a salutary lesson to a number of government agencies. In this particular case the government somehow or other waited until the last minute to schedule the bill before the House. Then it went over to committee, where committee members were met with the plea that the pipeline was more than full in so far as credit insurance was concerned.

I think it is wrong to say that any delay in the passage of the bill might inhibit the operations of the agency. The hon. member for York-Simcoe (Mr. Stevens) will have something to say about that, but I would like to indicate that I do not think it is the proper way to operate the shop. It was clearly understood and foreseeable, as was indicated by the chairman and other officers of the corporation, that because of increased dollar values due to inflation, not only in Canada but abroad, the then existing ceilings on loans and credit insurance were inadequate for the purposes of the corporation. With a little foresight we would have had an avoidance of this procedure.

In Great Britain and other countries there may be a wall of paper built around the operations of parallel institutions; but in the United States, on the other hand, it is quite open to determine who obtained credit insurance, for what purpose, what country was involved and what parties were involved. The same thing applies to loans. In so far as the government of Canada is concerned, it is high time to emulate it. The hon. member for Peace River (Mr. Baldwin) is trying to impress upon the whole operation of government a right to information. We should not have the situation where somebody in a government agency at some director level, or at the assistant deputy minister level or the deputy minister level can say, "It would not be in the government's interests if we let anyone know what goes on. That would be sacrosanct". There has to be a good deal more information put out.

We did get some information. In the end, the Minister of Finance (Mr. Macdonald) and his associates were as co-operative as they could be under the circumstances, but square one was so far down the line that other agencies which are going to come before parliament in the foreseeable future should take note of what the opposition is going to insist upon. We have a right to insist. Their operations are not going to be sacrificed or damaged in any way. Frankly, this bill took three days in committee merely to get that point across.

In so far as the operations are concerned, we know this agency is vital to Canadian trade. Canadian trade is in a tough spot. Many of our commodities are being priced out of the market by some darned foolishness at the productive levels, in government policies and in tax policies. They are hard-pressed to sell. Then there are great crocodile tears from some industries where employment has gone soft. All one has to say to those people doing the greatest crying is, "Look to your own actions in this regard".

One has to say, also, "How much have you been the author of the wrongs and the ills of your own industry? Let us see where the competitive costs are. It is not the government's role to subsidize in order to get into foreign market". This is a form of government subsidy. We have to practice it in the worldwide markets because other nations do it. If the operation of this corporation did not exist, and if these facilities were not available to Canadian business, I would say there would be a most appreciable decline in Canadian export trade and, naturally, in Canadian industry. Then we would see who would be doing the crying and the moaning.

I hope this bill will get third reading by five o'clock. The reports of the committee indicate to the members of the House information which is necessary. It being a short bill with a limited purpose, as far as I am concerned, having established the point about the right to information and that government should mend its ways with regard to the timing of these bills, I am quite prepared to recommend to hon. members that this bill be passed.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, members of this House should bear in mind that when we are referring to the Export Development Corporation we refer to one of the largest Crown corporations that this government has under its control. The hon. member for Edmonton West (Mr. Lambert) has indicated that we caught the government attempting to slip through the substance of what we have before us in Bill C-47 as a $1 item. I think their actions were wrong. They attempted to circumvent parliament, the committees of parliament and the House itself.

In requiring and asking for the ruling the Speaker gave that the $1 item was not proper we have at least secured the precedent of ensuring that the government in future, when they wish to raise the ceilings with respect to loan limits in EDC or the insurance ceilings in EDC, must do it in a proper way, and that is by amendment to the EDC legislation itself. Having said that and having once again agreed that we do not have any serious misgivings concerning the insurance side of EDC's activities, there is a caveat which I would like to mention later.

● (1630)

I would like to reiterate that we do have very serious questions concerning the financing activity which has become so much the lifeblood of EDC. We have come to the point

where we have to start asking very basic questions. Is it in the long-term interest of Canada that EDC give soft loan financing, for example, to Poland to allow that country to establish a pulp and paper industry on the strength of our credit? As far as pulp and paper exports are concerned, world competition is becoming more and more competitive, and yet we find—this was brought out in the committee—that EDC had little hesitation in going to the Bank of Warsaw in Poland and signing an agreement to lend Poland $108.7 million to help finance the purchase of equipment and related services for pulp and paper complexes in that country. We cannot get the EDC to identify what interest rate it put on that loan. We understand it is probably in the range of 7 per cent to perhaps 8.5 per cent, but we know that starting possibly as late as January, 1981, the bank in Warsaw will be given ten years to repay that loan.

I cite that as an example of the activities which EDC has started to finance, and I think a serious question must be raised as to whether those who are currently in charge of EDC, which is under the direct supervision of the government, are being prudent in making loans to a country such as Poland with a view to helping it establish a pulp and paper industry which will be competitive with our own pulp and paper activities.

During the second reading debate of this bill we indicated our basic support for its provisions. It really only raises the insurance liability ceilings of EDC. As I have said, we have always felt that the insurance side of EDC was the more credible aspect of the activities of EDC, and we believe the change in the insurance provisions is justified. However, I said that there is a caveat. In the committee there was the startling revelation that comparatively few companies in Canada are sharing the bulk of the benefits as far as the insurance activities of EDC are concerned. In 1976, 50 corporations secured insurance commitments from EDC, for a total liability of $278.9 million. That, incidentally, represented about 60 per cent of the total insurance liabilities underwritten by EDC in that year. It is pertinent to ask ourselves whether that is equitable. Is EDC doing all in its power to ensure that comparatively small concerns get the benefit of export credit insurance to a greater extent than is now being awarded to those companies?

I ask that because if we look over the list it is rather startling to see where the insurance was actually written. We were only given ranges. In spite of the fact that EDC is a Crown corporation, apparently we were not entitled to know the precise insurance policies which were written with, for example, MacMillan Bloedel. But it is interesting to note that in 1976—in fact, for the past five years—MacMillan Bloedel has been number one on the hit parade as far as insurance commitment is concerned. In 1976 that company alone received an underwriting of $30 million to $40 million. As we can see from the figures I initially gave, that is more than 10 per cent of the total business written by EDC on the export insurance side alone. Canadian Cellulose Limited, and ATCO (Eastern) Limited both received insurance underwritings of $20 million to $30 million apiece. Seaboard Lumber Sales Company Limited and British Columbia Forest Products Limited received such insurance commitments in the range of $15 million to $20 million. The Steel Company of Canada Limited, and St. Anne Pulp and Paper Company Limited received commitments of $10 million to $15 million.

I could go through the list and indicate that $5 million to $10 million in liabilities was awarded to Campotex Limited; Gulf Oil (Canada); Lewis, Keefer and Penfield Limited; and Atlas Steels Limited, a division of Rio Algom Limited. It is obvious that EDC finds it comparatively easy to put out huge commitments for the benefit of such corporations, and our basic question is: Is EDC doing all in its power to ensure that comparatively small companies get a fair amount of assistance which should be going to them as opposed to relatively large corporations?

Dealing with this subject in the committee Mr. V. G. McKay, vice-president of finance, Export Development Corporation, stated the following:

> Of the top 50 policyholders of which you have a list in the short-term section of the insurance division, approximately 60 per cent of the liability of the corporation is represented in those 50 names.

I have referred to some of those 50 names. Then after the companies had been identified I stated the following:

> About 60 per cent of the total amount insured by EDC in 1976 went to 50 corporations. It totalled about $250 million—

It was actually some $270 million, which I referred to earlier.

> —which means on the average they received about $5 million per company, or per concern. The top range, which is presumably MacMillan Bloedel Limited, got between $30 million to $40 million in total liabilities. Is that pattern, what we may assume for the four other years that we had before us, 1972 to 1975, roughly the experience of EDC, that the top 50 have been getting about 60 per cent of the total insurance and the ranges I have referred to are roughly that?

Mr. John A. MacDonald, chairman of the EDC, replied: "Yes". Mr. Chase-Casgrain, vice-president of the corporation in charge of insurance, replied: "Yes, I think that would be an accurate statement, Mr. Stevens". I think it is important that we put on the record that in truth a tremendous amount of the insurance activity of the EDC benefits a comparatively small number of companies. I find it inconsistent that not only is it going for the benefit of those companies—and I point out that many of the companies I referred to are big pulp and paper companies in Canada— but we find the contradiction of EDC, through their financing arm, through their lending activities, going to a bank in a country such as Poland and lending $100 million to help them set up a pulp and paper company in Poland, which in turn will presumably compete with such companies as MacMillan Bloedel who feel they need the type of insurance I have been referring to in order to sell their goods around the world. Surely there is some inconsistency in our making a $100 million loan to Poland to help them get into the pulp and paper industry so they can compete with the very pulp and paper companies to which we are giving insurance coverage to help them sell their goods around the world.

● (1640)

So far I have touched mainly on the insurance side of EDC activities because that, frankly, is the part that is covered by the bill before us raising the limits. But on this side of the House we have felt much less comfortable with the financing side of EDC than with the insurance side. The loan activities of EDC deserve a much closer scrutiny than they have been receiving, and we would like to put forward a few of our concerns, if we may, on this matter, that is, the lending activity of EDC, on the record.

We find the EDC is extending hundreds of millions of dollars in credit for the benefit of a select few countries and eventually we might have to write off substantial portions of these loans. Unfortunately, this will be done with little or no recourse or review. In a sense, you might say that it is typical of this government's actions. They blunder, they make mistakes, they act irresponsibly, such as in this case when they lend money, and subsequently we will find two years, five years or ten years from now, when these loans are not being repaid, that somehow the government will present a new nationalization. They will say, "We have a problem. We must accept a write-off against our current budgetary position", and they will step in, if they are still in power, and say, "Give us the credit, now, for clearing up the mess".

The reason we on this side of the House wish to draw attention to the irregularities and irresponsibilities in EDC is that we realize it will be this party as the government of Canada that will have to clear up some of the mess that will be left by these EDC type loans to which I have referred. In a sense, it is very typical of this government's attitude concerning the so-called national unity question. Surely, the government of the last nine years have created many of the problems in Canada that have led to a spirit of disunity. Their economic mismanagement has been so tragic as to trigger the unemployment and inflation that we have. It is natural that some people are now talking about a better system or even about some type of separation. But let us never forget that it is this government that in the past nine years has created the fertile ground for those feelings to spring from. Yet now we find how ludicrous it is that the Prime Minister (Mr. Trudeau), and even certain of his cabinet ministers, are pretending that they are the people to unify the nation and set it all right again.

In no way is the Canadian public vulnerable to such a lie. The responsibility must be pinned where it should be pinned, and that is on the government for their gross mismanagement of the economic and other affairs of this country. That is why I am so concerned about the irresponsibility that is taking place with respect to financing through EDC. Only last weekend we had the government House leader gratuitously offering a write-off of some $250 million with respect to debts owed by other countries to this country. How nice it is to casually say that we will write off that money. But let me emphasize that that type of write-off is only the beginning of what may happen with regard to some of the loans that are being made by EDC. Further write-offs will be required. Later in my remarks today I want to suggest that it is time the government started to reserve those write-offs in their budgetary figures that will occur with respect to some of the so-called soft loans that EDC is making.

We have already seen how the government tried to slip $2 billion in additional authorized EDC insurance liability through the House as a $1 item. Both my colleague and I have referred to it. We opposed this, and the bill before us is a result of the objections we had at that time to that sleight of hand. But the sleight of hand continues, I suggest, especially, as I have said, in the loan activities of EDC.

It is not a partisan pronouncement that I am making. The Auditor General himself has expressed concern about some of the write-offs that are developing and showing already in EDC. Let me quote from page 42 of the last report of the Auditor General, dated March 23. He stated:

> The future economic and political conditions in some of the countries where the corporation has made loans are unpredictable and accordingly possible losses to the corporation are not susceptible to accurate measurement.

We find that with a little juggling and accounting gymnastics—the polite term is "rescheduling"—the government is able to carry some $61 million in defaulted loans by simply rewriting them as new or extended loans. What a convenient term! If any of us, for example, get into default with our bank, how nice it would be to merely go to the bank and suggest that they reschedule. By rescheduling, all that is meant is that you take the defaulted loan, you add accrued interest, issue a new note, and say it is now current. That is exactly the type of game that EDC has been playing with respect to over $60 million of the loans now on their books. When we questioned this practice in committee, the president of EDC, John A. MacDonald, told us that although rescheduling was necessary in some instances, the corporation in fact—

> —did not make loans to a country that has been rescheduled for some considerable period of time.

What Mr. MacDonald was referring to was the simple fact that perhaps he was a little embarrassed. It was so obvious that they were carrying loans that had been rescheduled. He hastened to assure us that if a country has got into that plight, the rescheduled loans are needed and they do not make fresh loans to that country. When we checked, as we did in committee, we found that this considerable period of time referred to by Mr. MacDonald is in many cases much shorter than one would expect. Pakistan, for example, had rescheduled loans totalling $26.3 million in 1976, yet we find that early in this year, on January 27, the EDC advanced another $1.4 million to support export sales to that country.

There are also other examples, such as the case of the Philippines which has also apparently worked its way back into EDC's good graces. In the Philippines we have financed another $1.7 million, even though that country has had to reschedule $7.4 million of previous loans. It is not that we oppose this type of generosity to struggling nations but, rather, that we are concerned about the mounting payments that will have to be made by both the nations that I have referred to, other nations and Canada, as debt is piled upon debt.

● (1650)

It is time we examined our goals in this area and re-evaluated our policies. As the cycle of default mounts in the world, the ability of the Export Development Corporation to promote export trade is less feasible. At home we have a federal government that in the current year is running up a deficit of $7.2 billion—a record deficit of staggering proportions in light of last year's deficit of only $5 billion. This is the same federal government that has allowed our trade to deteriorate to a deficit position, as far as manufactured end products are concerned, of some $10 billion. This is the same government that has been so oblivious to date about our current account deficit of $4.3 billion and which now appears to blithely turn its back on mounting default being incurred with respect to loans previously made to certain countries.

Let me put it this way, Mr. Speaker. Domestically we have a government that has incurred a deficit this year of $7.1 billion; externally we have a government that is living with deficits of between $4 billion and $5 billion on current account and which, in effect, is encouraging corporations and provinces to borrow sufficiently from foreign sources to cover that kind of deficit. Most important in relation to Bill C-47, we also have the EDC directing loans to support export sales, but the loans themselves will not be repaid in their entirety in future years. That is the picture we have before us—three levels of debt being piled on debt.

If I remember correctly, at committee it was revealed that somewhere in the neighbourhood of 40 per cent of all manufacturing trade from Canada not going to the United States was underwritten by the EDC at the present time. Some place along the line we have to see the significance of this measure. Granted, we want work for Canadians today, and if financing is needed we can understand the desire of the government to help. But let us not delude ourselves. We must realize that in order to generate $1 million worth of work, the EDC is lending $1 million to some country for up to 15 years and that probably a substantial portion of that amount will never be repaid.

The more this indirect subsidization snowballs, the higher the probability of default and the more we have loaded debt upon debt. For the sake of an export sale today we are literally jeopardizing jobs for future Canadians. The government should begin now to set up meaningful reserves against this type of loan so that it will not be so hard to digest in future years.

In looking over the activities of the EDC we must also question the wisdom of soft loans to communist bloc nations. We have seen EDC advance financing to Yugoslavia, Poland, Cuba, Czechoslovakia, Rumania, Hungary and Bulgaria. In one case the EDC advanced $250 million. A loan was advanced to a pulp and paper operation in Poland, yet the president of EDC admitted that it is likely this operation would be a significant competitor with our own pulp and paper industry. He justified the loan on the basis that if we did not lend the funds, somebody else would and in effect we would end up with no loaf as opposed to half a loaf. I suggest it is shortsighted to subject this nation to the debt load the government has assumed. It is not in the best interests of Canada to continue such shaky loan activity to support international trade.

At committee we asked the minister to give us some evidence of the government's restraint in the international arena to insure that so-called soft loans will not balloon even more within a few years. I am pleased to say he indicated their concern with the type of relatively poorly secured long-term financing that is taking place. I hope we can work in conjunction with the other countries that have been active in this type of soft loan system to tighten the rules in order to ensure that Canada and the other nations in future are selling goods, not financing, as far as the export trade is concerned.

In conclusion, Mr. Speaker, in principle we have nothing against extending the insurance activity of EDC as contemplated in Bill C-47. We believe that is the more respectable side of EDC activities, but we feel that it should make a more sincere effort to have that insurance available to many more small businesses in the country than is the case at the present time. To have 60 per cent of the benefit of the insurance going to 50 of the largest corporations in the country is questionable. We are concerned about EDC lending activities because we think we are going to regret the day we made many of the loans that it is now publicizing with great glee in the name of supporting Canadian jobs. They may temporarily give work to Canadians, but in the long run there are going to be severe losses not only in the economic sense but in the sense of job creation in future years.

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I listened with a good deal of interest to what has been said about the Export Development Corporation this afternoon, especially what the hon. member for York-Simcoe (Mr. Stevens) had to say about large companies, the long lending policy of the government, and the industries that would be competing with industries here at home. I agree that this should be given careful consideration. If we are going to build up corporations in other countries that are going to be competitive because of a lower wage scale than ours, it means we are going back to being an undeveloped country.

The hon. member for York-Simcoe spoke about the large insurance companies. I want to bring to the attention of the House the small companies that have been forgotten and have not been paid for their losses by the Export Development Corporation or the insurance companies. I refer to a company that sent $40,000 worth of goods to Nairobi. When the goods were delivered, it was found that some were damaged. This was investigated—

The Acting Speaker (Mr. Turner): Order, please. It being five o'clock, the House will now proceed to consideration of private members' business as listed on today's order paper, namely, public bills, private bills, and notices of motions.

Mr. Paproski: A point of order, Mr. Speaker, I believe there is a disposition to allow all other bills to stand and debate Bill

C-225 standing in the name of the hon. member for Calgary North (Mr. Woolliams).

Mr. Goodale: Agreed.

The Acting Speaker (Mr. Turner): Agreed, and so ordered.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CRIMINAL CODE

AMENDMENT TO RAISE AGE OF CONVICTION OF YOUNG OFFENDERS

Mr. Eldon M. Woolliams (Calgary North) moved that Bill C-225, to amend the Criminal Code (young offenders), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

● (1700)

He said: Mr. Speaker, time being limited in private members' hour I shall not, as I usually do, speak without notes but will refer to my notes closely. I hope the government will listen with sympathy to the subject I am about to discuss. I take great pleasure in speaking to Bill C-225, my own bill, which seeks to amend a Criminal Code provision concerning young offenders. In order that hon. members may understand the purpose of this bill, I shall read two sections of the Criminal Code of Canada. Section 12 reads:

No person shall be convicted of an offence in respect of an act or omission on his part while he was under the age of seven years.

That means, in brief, that any person seven years of age can be convicted of a criminal offence, with one exception to which I shall allude in a moment. In short, the Criminal Code treats any person over the age of seven as if he is an adult. The exception is contained in section 13, which reads:

No person shall be convicted of an offence in respect of an act or omission on his part while he was seven years of age or more, but under the age of fourteen years, unless he was competent to know the nature and consequences of his conduct and to appreciate that it was wrong.

In other words, any person between the ages of 7 and 14 can be convicted of a criminal offence, provided he was competent to know the nature and consequences of his conduct and to appreciate that it was wrong. Lawyers in the House will know that that rule is almost identical with the M'Naghten rule concerning insanity. In brief, my amendment would raise the age in section 12 to 12 years. It would raise the age limit from 7 years to 12 years. In other words, no person shall be convicted of an offence in respect of an act or omission on his part while he is under the age of 12 years. Surely that is a reasonable request. Surely that outdated part of the Criminal Code which is nearly 100 years old should be thrown out.

My bill would provide, second, that no person shall be convicted of an offence under the code while he is 12 years of

age or more but under the age of 16, unless he is competent to know the consequences of his conduct. In brief, at present under the Criminal Code a child of eight years can be convicted of murder, manslaughter or robbery with violence, if he knew what he was doing, knew the nature and consequence of his conduct and knew it was wrong. That is the present law of Canada. I will put on record today some shocking statistics concerning the treatment of children in Canada who have been convicted of offences under the code. I shall speak of children under the age of 14 and as young as 12 years. Such children have been sent to penitentiary, there to be incarcerated with adults.

The last time I moved this bill in the House was March 3, 1970, seven long years ago. At that time children were being incarcerated in our penitentiaries. They had been incarcerated in penitentiaries as early as 1964, six years before I introduced the bill the first time. I want to deal with a case of a 12-year old boy who was sentenced by a judge in this country. I want to quote what Mr. Allan MacLeod, the superintendent of penitentiaries in Canada, said to Mr. Bill Trent, at that time a *Weekend* staff writer. At that time I was happy to have in my office Mrs. Robbin Frazer, who helped me do some research into this question. I now read what Mr. Bill Trent wrote:

Henri had all the cards stacked against him. He was the product of a shiftless father and a prostitute mother, who had separated. In his short lifetime he had been in all sorts of trouble. He had been sentenced to reformatories and at one time had even been committed to a mental hospital.

Then one night, during a period of freedom, he walked into the house to find his mother sleeping with her landlord. Furious, he picked up a can of tomatoes and hurled it at the man, striking him in the head. He was charged with assault.

The judge considered the matter for some time. The nature of the boy's previous offences indicated that he was in serious need of help. But there were no facilities for handling such a case.

At present the law says any person seven years old or older can be charged as an adult. I continue:

The judge finally sentenced Henri to two years in St. Vincent de Paul, admitting he was worried about the sentence—worried whether the inmates would be a bad influence on the boy, or whether the boy would be a bad influence on the inmates.

I question the latter point. I continue:

Henri was escorted behind the high walls of the maximum-security institution—

I have been to that institution as a visitor. I continue:

—a 12-year old boy among hundreds of hardened criminals.

"I still choke up when I think about it," says Lionel St. Pierre, warden of St. Vincent's federal training centre, who was penitentiary psychologist when the boy arrived. "I hustled him into my office to keep him away from the inmates and arranged to have him transferred to Federal Training Centre."

Henri (who was later released and has apparently been keeping out of trouble) was a polite, wholly co-operative child who responded well to the sympathetic guards.

The guards liked him so well that they chipped into a fund to buy him a scooter, a toy construction set and a fleet of toy trucks.

"It was quite a sight," one of the guards told me, "to see the boy pushing his way around the prison yard on his scooter."

But St. Pierre thinks the saddest incident of all was the day he took Henri into his office.

"The boy had one request and I couldn't grant it," he recalls. "He asked me if it would be all right to go out and play in the streets until supper time."

One hopes Henri's case will not be duplicated. As a result of the crusade I conducted personally in 1963 and 1970, children were removed from federal penitentiaries where they were raped, forced into homosexual acts, and learned the tricks of hardened criminals. Since 1968 the Trudeau government has promised to introduce a young offenders act. We are about as close to getting that bill as we are to having unity in this country. Both promises have been broken and both situations are in the same disarray.

With the files and research I have done—the files are more than one foot deep in my office—and since I am a trial lawyer and have for a number of years conducted cases regarding the custody of children and children getting into difficulty, I find that 90 per cent of such cases are the result, I am sorry to say, of irresponsibility of adults, of broken homes and the conduct of parents which in some cases is only fit for publication in *Penthouse* and *Playboy*. An article written by Pierre Berton puts the point pretty well. He wrote in part:

One byproduct was homosexuality. Since young offenders were often dumped into prison compounds with old and hardened men, it was almost axiomatic that any youth entering prison (and there were children as young as 13 in Canadian penitentiaries in the 1960's) be forced into homosexual alliance that could scar him for life.

Since 1908 there have been no real changes in the Juvenile Delinquents Act. The Diefenbaker government set up a committee in 1962 to study the whole question of young offenders. The head of that committee was Allan J. MacLeod, and the others where Dr. L. P. Gendreau, Inspector E. W. Willes, Ronald R. Price, and Miss M. L. Lynch. I might say, for the benefit of the *Hansard* reporter, that I am reading from my notes and he will find all these names mentioned in the text. I say this since I know I am speaking rapidly. That committee recommended, or said that the term "juvenile delinquent" was a belittling one which does not recognize the dignity of youth. They said it should be changed to "young offenders", but the federal government has done nothing despite the framework of a new act which was recently circulated by the Solicitor General's department. After my speech of March 7, 1974, and as a result of the crusade which had been under way long before that date, I managed to get most of the children out of jail by bringing pressure to bear on appropriate authorities and getting the support of the media.

I am still sad to say that today recent statistics are most revolting and disconcerting. Mr. Speaker, at present five inmates 16 years of age are incarcerated in federal penitentiaries. In addition, there are 38 inmates 17 years old and 1,343 inmates between the ages of 18 and 21. Those are national figures applying to 1973. The figures for all Canada with regard to juveniles only are as follows: There are 863 males incarcerated and 557 females, for a total of 1,520 such juveniles. I have not been able to get the 1976-77 figures for all across Canada. However, I was able to obtain figures from Canada's largest province, Ontario, and I stress that the federal government itself has left the vacuum.

The provinces have had to set up training schools at their own expense and children now have been transferred to these schools from penitentiaries; or, on the other hand, they have been there confined in their later years instead of being confined with adults in federal penitentiaries. The figures for Ontario for 1975 are as follows: 25 children aged 12 in training schools, 71 aged 13, 204 aged 14, 384 aged 15, and 34 aged 16, for a total of 718. To make matters worse, in 1975 for the age group of young people up to 16 there was a 50 per cent rate of recidivism, meaning that they returned to the same or another institution as the result of crimes committed.

● (1710)

I was shocked when I read the magazine "Like It Is—Young and In Trouble", publisher Gary C. Price. I checked it out today. It contains stories of what is going on in the training schools across this country. Let me take a few moments to tell the story of Tony. I will not give his last name as that would be unfair to him. Tony, now aged 23, is serving a three-year term in Collin's Bay penitentiary for armed robbery. History: his father died when he was two years of age. He was mistreated by his stepfather, never given a chance, was caught stealing at a very young age, sentenced to St. Joseph's training school at age 13 for truancy.

Fancy sending a person to a training school, a prison, for truancy! At that time he weighed 75 pounds. He was repeatedly beaten by the staff and fellow inmates. He ran away and was caught by the RCMP and handcuffed, but the handcuffs were so large that they kept falling off his wrists. He was returned to school, his head shaved and placed in a padded cell for a six-week period. He started a life of crime.

What about little Peter? Peter's parents broke up. He was sent to live with an 89-year old grandmother. Children's Aid took him away and placed him in a detention home, for truancy. At age 11 he was sentenced to a training school for breaking into a parking meter. He was taken to Cobourg training school in handcuffs. He was beaten by his instructor with his fists and maintains that a nine-year old companion was beaten and kicked because he wet his bed. Finally, he was sent to a reformatory and later a penitentiary.

At age nine Michael was caught stealing. At age ten he was caught again and sent to a training school. A militaristic atmosphere prevailed at the training school. He was attacked by inmates and sometimes forced to bend over for hours with his head in a locker. In this case it is alleged that he was forced to stand against a wall on tip toes with his forefingers pressed against the wall. Thumbtacks were placed under his heels so he could not step back. Punishment was finished when the child had to step back on the tacks.

I can go on quoting experiences for a long time, but there it is. I am of the opinion that Judge Thompson of Ontario, in the Ministry of Community and Social Services at Queen's Park, has the answer. For example, if a person of ten commits murder, or putting it softer, kills someone, he should not be labelled an offender and should be placed under child welfare care. If he has a good home, well and good, he can get the necessary guidance from home. If the home is a seriously depraved one, he should be placed where he can get help from psychiatrists and psychologists and, above all, receive some

degree of affection in line with what the average child receives in a normal home. That is all that children want, the same love and affection that the average child gets in a normal home.

I recommend that hon. members read the John Howard Society of Ontario's response to proposals for new legislation to replace the Juvenile Delinquents Act. There they point out the same kind of treatment that Dr. Thompson set out. I plead with the minister and with the House to remove the window-dressing from reform and get on with the job. Stop image building. Images will be built if you perform. It will take a lot of public relations firms to cover up for the sins of this generation when history is written. When the image builders are dead, the historians will bone-pick the raw, cold carcass of this civilization and the truth will be revealed.

We naturally get enraged and become emotionally disturbed when we see children in the training schools. I have been in training schools in my province. My partner defended someone under the age of 13 on a murder rap. I went to see him last summer because my partner was on holiday. I know how he was confined. If there are to be places of incarceration in reference to their offences and convictions, maybe the wrong people are being put in jail. Maybe it should be somebody else who is responsible for their birth, or it might even be us, the legislators. It is time we moved on, Mr. Speaker. Charles Dickens wrote, "The Law is an ass." Well, this law is an ass. Let us ride that donkey out of the parliamentary pasture. I thank hon. members for listening to me.

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, I first want to congratulate the hon. member for Calgary North (Mr. Woolliams) for his inspiring speech and graphic illustrations pertaining to children who have suffered in penitentiaries because of their acts. He is to be congratulated for bringing forth Bill C-225 to amend the Criminal Code (young offenders). It is very timely and should be considered by all Canadians. I note the explanatory notes which state:

> Under the present state of the law, no person under the age of seven years shall be convicted of an offence, this constituting a presumption de jure, and no person between the age of 7 and 14 can be convicted unless he was competent to know the nature and consequence of his conduct, this constituting a presumption *juris tantum*, that is rebuttable.
>
> The purpose of this bill is to provide that no person under the age of 12 years shall be convicted and to raise also from 7 to 12 and 14 to 16 the interval during which the presumption *juris tantum* is applicable.
>
> The bill provides also that no person under the age of 16 may be sentenced to imprisonment in a penitentiary as it is now possible for a delinquent, under the present state of law, in some cases.

This was pointed out graphically in the illustrations of the hon. member for Calgary North. We are concerned with sections 12 and 13 of the present act which read as follows:

> 12. No person shall be convicted of an offence in respect of an act or omission on his part while he was under the age of seven years.
>
> 13. No person shall be convicted of an offence in respect of an act of omission on his part while he was seven years of age or more, but under the age of 14 years unless he was competent to know the nature and consequences of his conduct and to appreciate that it was wrong.

It is an anachronism that the Criminal Code now contemplates that a child as young as seven can attract criminal responsibility. Therefore, in rising to speak on Bill C-225 I might say that I have a great deal of sympathy for part of the philosophy that, as I understand it, lies at the root of this bill. I suggest that this House is probably generally in accord with the thesis that children under the age of 12 should not be considered criminally responsible. I understand that in practice a relatively small percentage of juvenile delinquents adjudged to have committed a delinquency under the Juvenile Delinquents Act are under 12 years, and that most children under 12 are dealt with under the appropriate provincial child welfare or youth protection legislation.

The report of the Department of Justice Committee on Juvenile Delinquency in 1965 recommended that the minimum age of criminal responsibility be set at 10 or, at most, 12. Bill C-192, the young offenders bill, contained a provision to raise the minimum age to 10. The recent report of the Solicitor General's Committee on Young Persons in Conflict with the Law recommended raising the minimum age to 14. I understand that the responses received during the consultations held across Canada suggest support for the proposal of the hon. member for Calgary North to raise the minimum age to 12. In the report "Young Persons in Conflict with the Law" it is recommended that the minimum age under any new youth delinquency legislation should be 14. I quote from the report:

● (1720)

> This would not imply that anyone under the age of 14 could perform harmful acts with impunity. Rather, the committee proposes that children below the age of 14 should not come under the jurisdiction of criminal legislation, but would be more appropriately looked after under the provisions of provincial child welfare, youth protection and juvenile correction legislation.

In May, 1976, the Canadian Council of Juvenile and Family Court Judges drafted a working paper on the report, the judges contending that the minimum age should be 12. They concluded:

> —that 12 and 13-year olds are committing offences of sufficient seriousness that child welfare authorities will be unable or unwilling to assume responsibility for them.

There is certainly evidence to support this contention. In 1973, Statistics Canada reported that of 553 juvenile delinquents aged 12, 17 were convicted of common assault, one of assault causing bodily harm, 181 of crimes against property with violence and 6 of carrying offensive weapons. Of 1,137 juveniles aged 13, 27 were guilty of common assault, of assault causing bodily harm and danger with intent, 357 of crimes against property, with violence, and 11 cases of carrying offensive weapons. I believe these figures illustrate the fact that 12 and 13-year olds are capable of committing a wide variety of offences that cannot be shrugged off or taken lightly. Assault with intent to cause bodily harm is no laughing matter.

The remaining two provisions, however, present difficulties which I suggest will require further consideration. The second provision in the bill is to extend the application of what is known as the *doli incapax* rule so that persons aged 12 but under 16 should not be convicted unless shown to be competent to know the nature of their conduct and appreciate that it was wrong. The *doli incapax* rule under section 13 of the Criminal

Code pertains now to persons of 7 years but under the age of 14. This rule is based on a rebuttable presumption that a child between the ages of 7 and 14 is incapable of committing a crime. Blacks Law Dictionary, fourth edition, defines *doli incapax* as the following:

Incapable of criminal intention or malice; not of the age of discretion; not possessed of sufficient discretion and intelligence to distinguish between right and wrong to the extent of being criminally responsible for his actions.

Thus, in order to establish criminal liability the prosecutor is required to show that the child has the competence to know the nature and consequences of his crime and to appreciate that it was wrong. The Department of Justice Committee on Juvenile Delinquency recommended the abolition of the *doli incapax* rule. The report noted that juvenile court judges were not then familiar with the *doli incapax* rule and that in any case the rule is difficult to apply. I would like to quote from the report which explains the reasoning for the abolition of the *doli incapax* rule:

The rule was formulated at a time when there were no juvenile courts and when the penalties of the criminal law were extremely harsh. Having regard to the difficulty in interpreting and applying the rule, and to the modest sanctions available under the present law, we doubt that there is any real advantage in retaining the rule. It is important to note also that the presumption weakens with the advance of the child's years towards fourteen. Its principal value is in connection with proceedings against offenders who are very young. Our proposal for raising the minimum age of criminal responsibility would further diminish the need for the rule. Finally, we think that the basic objective that the *doli incapax* rule is designed to serve can be accomplished more effectively through flexible disposition provisions.

That quotation can be found on page 54 of the report of the Department of Justice Committee on Juvenile Delinquency. The committee's report on Young Persons in Conflict with the Law also recommended that the *doli incapax* rule be abolished. Its recommendation was based on the rationale that in setting out the age jurisdiction of the proposed legislation to replace the Juvenile Delinquents Act, young persons between 14 years and under 18 should be held responsible for their illegal acts. Such an age range, however, would not prevent any province, on the basis of administrative policy, to choose not to apply the federal legislation if the circumstances of a given case demonstrated that a young person would be more appropriately dealt with under provincial legislation or that he should not be proceeded with at all.

If we increase the minimum age of criminal responsibility to 12, I would be inclined to support the recommendations of the two committees to abolish the *doli incapax* rule. This is based on the premise that young persons between 12 and 16 generally have the competence to know the nature and consequences of their conduct and appreciate the wrongfulness of their acts and thus should be held responsible for any illegal acts. At the same time, I support the philosophy that young persons in this age group are still in their formative years and that, generally, sanctions for their illegal behaviour should be more limited and, I believe, more specialized than those applicable to adults. They should receive special services to meet their needs, which are distinctly different from those that are available to adults.

I would like to turn to the provision in the hon. member's bill which calls for the use of industrial schools instead of the penitentiary system for young offenders convicted under the provisions of the Criminal Code. Under certain circumstances this may prove to be impossible. It is clear that the hon. member would like to protect a youthful offender from the hardened types he is likely to encounter in the "pen". Having been a member of the subcommittee investigating the penitentiary system in Canada, I can fully endorse that point of view. Some of the inmates I met were quite unsavoury and a young offender, it seems to me, would be at the mercy of such individuals. Instead of providing rehabilitation, the penitentiary would become a school for crime.

However, we are also faced with the problem of combining youths who have committed the crime of car theft—"joy-riding"—and a youth who has been convicted of murder. Under these circumstances the provisions the hon. member has put forward would be extremely impractical, not to mention unsafe. If a youth was convicted of murder—and in 1973, 5 youths between the ages of 14 and 17 were convicted of this crime—could we really expect him to serve his sentence of a minimum of 10 to 25 years, or for the rest of his life, in an institution designed for the custody and rehabilitation of youths who have committed, relatively speaking, of course, minor offences?

One of the proposals contained in the report of the Solicitor General's committee would partially meet the intent of the bill, and would in my opinion be more realistic. It would provide for a young person who has been transferred to adult court and sentenced to a term of imprisonment to be kept in a place of secure custody as defined under the federal juvenile legislation until age 21 after which, if his term of imprisonment is to continue, he would be transferred to a place where he might ordinarily have been imprisoned. In this regard, the proposal meets the intent of preventing the confinement of any person under the age of 16 years in a penitentiary and yet it is more realistic in allowing a young person to be transferred to an adult institution by the time he reaches the age of 21. This would likely facilitate rehabilitation as well as custodial treatment.

While I support in principle the provision to increase the minimum age of criminal responsibility and the intent of the provision to avoid the confinement of any person under the age of 16 in a penitentiary, I cannot support this bill as it now stands. I understand that the ministry of the Solicitor General has been working intensively on the development of proposals for new legislation to replace the Juvenile Delinquents Act. The Solicitor General's committee's report on Young Pesons in Conflict with the Law has been used as a basis for nationwide consultations on a broad range of issues, including those raised in this bill.

One such consultation is the working paper put out by juvenile and family court judges to which I referred earlier. I do not think it is desirable at this time to make specific changes to the Criminal Code affecting age limits. We must look at the whole problem of the young offender. We must contemplate how the age changes will bear on the philosophy,

principles, the delivery of services by the provinces, and other related matters.

We must also look into the facilities that currently exist in the provinces. Are there enough institutions now to house youthful offenders if we pass this bill? I understand that at present the province of British Columbia is rethinking its approach to the juvenile delinquent. That rethinking includes the reinstitution of training schools into the correctional process. We can hardly agree to send a youth to an industrial school that does not yet exist. We must also consider the auxiliary services that we would require as well as buildings and thoroughly qualified and trained staff. Certainly there are many individuals who would qualify, but are there enough?

● (1730)

I suggest, Mr. Speaker, that my hon. colleague from Calgary North withdraw his bill for the time being. Once the Department of Justice and the Solicitor General's office have had time to assess the results of the consultative process, I believe the government will be putting forward its proposals for changes to the Juvenile Delinquents Act and the Criminal Code. At that time the hon. member can make known his views on this very important subject, for I am certain that the Solicitor General (Mr. Fox) will seek the views of all those who have a material interest in the subject matter before any legislation is introduced.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have only a few comments to make on this very important bill. I think great credit is due to my colleague, the hon. member for Calgary North (Mr. Woolliams) for the interest he has shown in this very important topic and for bringing forward this bill. Not only has he demonstrated his interest on this occasion, but in the past he has been responsible for placing very great emphasis on legal reform as it pertains to better treatment of youthful offenders.

I was very impressed as well with the remarks of my friend, the hon. member for Toronto-Lakeshore (Mr. Robinson), an excellent member of parliament who has many times shown his concern for matters of law reform and the protection of civil rights and liberties. Whenever such occasion has risen the hon. member for Toronto-Lakeshore has been in the forefront of those who have made an active and valuable contribution.

It seems to me that the principles implicit in this bill moved by the hon. member for Calgary North should find general agreement not only with members of parliament but with all people who are concerned with law reform and the rehabilitation of young offenders. I think it is fair to say that more selective and humane treatment of young people under our criminal law is long overdue. I trust that government will continue this impetus and that before long, as the hon. member for Toronto-Lakeshore has said, action is taken on a wide front, not just under the Criminal Code.

It seems to me to be rather paradoxical, judging from my own limited experience, that there appears to be in some areas of the civil law greater understanding of the foibles and unpredictability of youth than there is under the criminal law. I guess all of us who have practised law are aware that, while it might be frivolous to say that every dog is entitled to his first bite, there is a certain amount of truth to this in the matter of liability which accrues to young people and their parents under the civil law.

If, for example, a young person commits an act of destruction for which ordinarily such person would be directly accountable, as indeed their parents may be accountable in extreme circumstances, but it can be demonstrated that this is the first time the act has been committed and that there is no propensity shown for this kind of act, then in most cases, as I understand the law, such a juvenile is, in effect, permitted to have his first bite, to commit that one act of destruction, with the hope that all concerned will learn a lesson.

Surely since this kind of tradition under the common law has grown up over the centuries in terms of civil liability, it is time we took a very hard look at the attitude that continues to be reflected in the Criminal Code which, as my hon. friend from Calgary North so eloquently said, results in an unbelievable perversion of justice whereby young people between seven and 12 years of age under certain circumstances are incarcerated, so long as they appreciate the nature and quality of their act, and thus suffer the type of fate detailed in some of the incidents and statistics quoted by the hon. member for Calgary North.

I suggest that the Solicitor General (Mr. Fox), the Minister of Justice (Mr. Basford), all concerned members of parliament, the ministers of justice and attorneys general of the provinces should take this opportunity which is afforded in the House of Commons of Canada to rethink this situation, and once more make a commitment to join together either to bring in specific measures of the type implicit in this bill or, as the hon. member for Toronto-Lakeshore has suggested, to move ahead in a different area and provide some social measures by way of legislation which will alleviate the situation.

Indeed, in the context of social reform, it seems to me that it would not be inappropriate, either through educational means or through other measures, to put more responsibility on the parents of children who are perfectly able to give their children better training and assume more responsibility for them. When these parents find their offspring in difficulty and it appears that the parents have wilfully neglected their responsibility as parents, then I feel some of the blame—indeed, some sanction may be necessary on the part of society—should fall upon them, as well as upon the children they have failed.

I conclude, Mr. Speaker, by congratulating both my learned friends for their remarks today. I just wanted to say a few brief words in support of the propositions which they have put forward.

Mr. Art Lee (Parliamentary Secretary to Solicitor General): Mr. Speaker, in rising to speak on Bill C-225 let me say at once that I have a great deal of sympathy for part of the philosophy which, as I understand it, is at the root of this particular bill. It is on this basis that I congratulate the hon.

member for Calgary North (Mr. Woolliams). He is a learned trial lawyer and certainly has displayed both inside and outside the House his deep concern for judicial reform.

Youth in conflict with the law is paramount in the minds of many Canadians. Young people are involved in such serious offences today as robbery, assault, etc. From time to time I receive letters from constituents who are very concerned and frustrated because they feel there is nothing the law can do to protect them from young offenders.

Recently police in my own area were conducting investigations concerning young offenders who were involved in a protection racket. Many of the people who were victims of this racket came to see me because they were very frustrated that the law could do very little to protect them. Other incidents I have heard of involved young offenders who live in public housing units; they vandalize these units and assault the people who live in them, particularly senior citizens.

Also of equal importance, those of us who served on the sub-committee on justice and legal affairs which was examining conditions in our penitentiaries were told that the average age of offenders in the Canadian penitentiary system is 27 years. We also heard some very tragic stories concerning inmates in maximum security institutions who entered the penal system at a very early age. Many of them entered our system at the age of 12 or 13 years. They started out in foster homes, graduated to industrial training schools, then went through the provincial jail system, finally ending up in the "big house" or what we call the maximum security institution. Fortunately many of these offenders are doing some of their time now in medium and minimum security institutions, most of them being out on day parole. It is this kind of tragedy which is the reason that I and the hon. member for Calgary North, as well as the hon. member for Toronto-Lakeshore (Mr. Robinson) and the hon. member for Central Nova (Mr. MacKay), are very concerned about the whole issue of young offenders.

● (1740)

I can cite some examples. When the subcommittee was travelling in the Atlantic region, we heard the story of a young individual who was incarcerated at the age of 13 years old in a maximum security institution, for stealing a car which really, in effect, amounted to no more than joyriding. At the time we talked to that individual he was 36 years of age. Thus, for some 23 years he had been in and out of our penal system.

I am sure it almost goes without saying that there are many clichés which people talk about that are true; but when a young person goes into the "big house" or a maximum institution, he is subject to a lot of pressure, a lot of harassment, and is also subject to learning the tools of the trade. In effect he graduates to much more serious crime and becomes very involved with that particular element. When we looked at that particular individual, he was in solitary confinement, and he certainly was a security risk. I made some inquiries about him, asking why he was in solitary confinement and why he was considered to be that much of a security risk. The authorities replied, "You look at him. You can see he is a security risk because he has taken a hostage, raised a lot of problems, caused vandalism within the institution, ransacked his cell, caused fires, broke the toilet in his cell, and also broke the sink. Also, on a number of occasions, he has worked with others and conspired with others attempting to escape. Certainly he should be classified as a security risk."

In talking to the classifications officer and to the psychologist working in the institution at that time, we found out that back in the history of this individual we could have certainly done something with him at the time of the original sentence which was for, to all intents and purposes, no more than joyriding, and yet he was charged with and convicted of stealing a motor vehicle. He was charged in the adult courts and placed in a maximum security institution. These are the kinds of tragedies we see in small numbers within our federal penal institutions. Even though they are in small numbers, it happens too often. There may be many that are not reported.

There are other instances where we see people 35-36 years of age who are serving time in our maximum institutions who literally get burned out, as they say, and tired of dealing with the entire system. They are tired of dealing with maximum security institutions, of going in and out like a revolving door and finally get to the point where they say "I have had enough". It is at that particular time they feel they should try and rehabilitate themselves, and they do so. There have been some very good success stories and testimonies from a number of these individuals. One of them we heard was from a man who is now doing work with young people, retarded people and young offenders, in the Atlantic region. At some point in time, if we had a proper set of laws to deal with such offenders, and proper programs to deal with them, it goes without saying that we could do something with them and save this very valuable resource, our youth.

It almost goes without saying, and for that matter it is almost a cliché, that the problems will not be resolved through bills like Bill C-225 or any other legislative reform dealing with young offenders. It requires community involvement and initiative. It also requires other imaginative governmental programs, like the creation of the Ministry of State for Fitness and Amateur Sport. Young people need to be active, and it is the government's responsibility and the community's responsibility to provide opportunities for youth.

In my own particular area we have a very high rate of young offenders. During some of the meetings with my community workers and people who work in my area I found, much to my surprise, that in one particular area, which has one of the highest rates of juvenile offenders—the Mount Pleasant area—the community facilities were closed at six o'clock in the evenings. That is the time the majority of our young people are looking for some facility where they can go and play basketball, badminton or something along these lines.

If we took a more imaginative and bold approach to trying to resolve some of the problems of our youth, we would be much better off. It is the responsibility of parents and the people involved in dealing with youth—the educational system.

As the hon. members who have spoken so far have pointed out, it behooves the government to lay down the ground work and the framework on which we can deal with youth offenders.

As the law now stands, young offenders are dealt with under the Juvenile Delinquents Act of 1908, as amended from time to time. The act established special juvenile courts and special procedures for dealing with young offenders. Previously, young offenders had been treated as ordinary criminals and brought before the ordinary criminal courts. The intent of the 1908 act was to treat a child not as a criminal but as a misdirected child and one needing aid, encouragement, help and assistance. In view of the changes in society and how society has learned to deal with them, the 1908 act has not fulfilled its promise.

I would like to quote from the "Highlights of the Proposed New Legislation for Young Offenders" at page 1, which reads as follows:

> In the view of many, young persons have not received proper care and treatment, and are not afforded all the basic rights and protections afforded to adults facing a criminal charge. It is also held that existing procedures fail to protect society and fail to bring about the salutary acceptance of responsibility for delinquent acts that should be part of the educational experience of the young offender.
>
> Rather, the 1908 act with its concentration upon the offence of juvenile delinquency tends to label and stigmatize a child, thereby reinforcing a delinquent self-image and perpetuating delinquent behaviour.

The government has long recognized the need to replace the 1908 Juvenile Delinquents Act in an attempt to design better ways to deal with young persons who break the law and to reflect changes that have developed in the way young people are regarded in society. Its more recent efforts occurred in the fall of 1973 when cabinet authorized the Department of the Solicitor General and the Department of National Health and Welfare to carry out a joint review in consultation with provincial governments, of the programs, services and related financial arrangements concerning young persons in conflict with the law. The report of the federal-provincial joint review group, published in August of 1974, documented deficiencies in the juvenile justice field with respect to the limitations of present services and resources; the need for extensions of existing resources; and the need for federal-provincial assistance to extend existing resources to administer more adequately the present legislation.

Concurrent with the work of the federal-provincial joint review group, a committee on legislation was appointed by the Solicitor General with the view to submitting recommendations for new legislation to replace the Juvenile Delinquents Act. In September of 1975 the Solicitor General's committee on legislation released its report entitled "Young Persons in Conflict with the Law". The report was widely distributed across Canada for the express purpose of eliciting reactions, through consultation, from provincial government departments, from agencies and groups offering services to young persons in trouble, from professionals, interest groups and associations and the general public. In the year following the publication of the report approximately 70 meetings were held across the country, and over 150 briefs and submissions were received on the subject.

● (1750)

The decision to organize and invest such time and resources in a wide reaching consultation process was a direct outcome of our past failures to bring about change in the field of juvenile justice in Canada. We are all familiar with the aborted attempts in the early seventies to replace the Juvenile Delinquents Act with Bill C-192, the young offenders legislation. It is generally agreed that one of the reasons for such failure was the lack of adequate consultation with interest groups and provincial governments prior to the presentation of the legislation to parliament.

For this reason, when the report on Young Persons in Conflict with the Law was released, the then solicitor general emphasized that before coming to final conclusions on new legislation it was important that consultation be undertaken to avoid the difficulties experienced with Bill C-192 and to provide for adequate public input on the development of legislation before proceeding to parliament.

At the close of the consultative process the reactions and suggested alternatives were closely analyzed, and a new set of legislative proposals was drafted. These proposals appeared in a document entitled "Highlights of the Proposed New Legislation for Young Offenders" which the Solicitor General (Mr. Fox) tabled in the House of Commons on March 21 of this year.

The most recent legislative recommendations were discussed at the meeting of the continuing committee of deputy ministers of corrections in Regina on March 25 where responses to the proposed legislation were generally positive. The topic, particularly relating to a few specific outstanding issues, will also be discussed at the joint meeting of attorneys general and ministers responsible for corrections scheduled for the end of June.

The proposals for new legislation are aimed at incorporating changing principles and practices which have developed in the juvenile justice field over the years. In addition to formalizing such change, the proposals for new legislation create new processes and procedures to overcome the outdated features or inadequacies which exist in the Juvenile Delinquents Act. I would like to quote from "Highlights of the Proposed New Legislation for Young Offenders" as follows:

> Young persons who commit offences should bear responsibility for their contraventions and while young persons should not in all instances be held accountable in the same manner or suffer the same consequences for their behaviour as adults, society must nonetheless be afforded the necessary protection from such illegal behaviour.
>
> In affording society protection from illegal behaviour, it is to be recognized that young persons require supervision, discipline and control, but also, because of their state of dependency and lack of maturity, have special needs and require guidance and assistance.
>
> Where not inconsistent with the protection of society, consideration should be given to using alternatives to the formal youth justice process for dealing with young persons who have committed offences which come within the jurisdiction of the Act.
>
> In determining the responsibility of young persons under the Act, it is to be recognized that young persons have rights and freedoms equal to those of adults including those stated in the Canadian Bill of Rights; and in particular, a right to be heard in the course of, and to participate in, the processes that lead to

decisions that affect them, as well as special guarantees of these rights and freedoms.

In the application of the Act, the rights of young persons include a right to the least interference with freedom, having regard to the protection of society, the needs of young persons, and the interests of their families.

Young persons have the right, in every instance where they have rights or freedoms which may be affected by the Act, to be informed as to what those rights and freedoms are.

Parents have primary responsibility for the care and supervision of their children and, therefore, young persons should be removed from parental supervision either partly or entirely only when all other measures that provide for continuing parental supervision are inappropriate; however, if it is necessary so to remove them, they shall be dealt with, in all respects and as nearly as may be, as they would be dealt with if they were under the care and protection of wise and conscientious parents.

Discussions and consultation during the past three years have not, however, been restricted to the substance of legislation, as I have just outlined. A major objective has been to identify the resource requirements and financial implications of new legislation and to explore ways of extending additional federal financial support to the juvenile justice system.

As a result of our detailed discussions the federal government is now prepared to extend the range of juvenile services eligible for cost sharing to include diversion services, pre-dispositional assessments and reports, and post-dispositional community supervision, including probation. Such additional funding assistance would be extended under the framework of the proposed social services legislation.

These additional services place greater reliance on community solutions to the problems of young offenders are distinct from current financial assistance to provinces for custodial services which remove a young person from his home and often from his community.

Mr. Paproski: You are not going to talk a good bill like this out, are you?

Mr. Lee: I would now like to address myself to the substance of Bill C-225, standing in the name of the hon. member for Calgary North.

Mr. Goodale: There is so much good that has to be said.

Mr. Lee: In rising to speak on Bill C-225 I stated at the outset that I have a great deal of sympathy for part of the philosophy which, as I understand it, lies at the root of this bill. I submit that this House is generally in accord with the thesis that children under the age of 12 should not be considered criminally responsible. It is indeed an anachronism that the Criminal Code now contemplates that a child as young as seven can attract criminal responsibility. It is my understanding that in practice a relatively small percentage of juvenile delinquents adjudged to have committed a delinquency under the Juvenile Delinquents Act are under 12 years of age.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Lee: In fact most children under 12 are dealt with under the appropriate provincial child welfare or youth protection legislation. In 1965 the report of the Department of Justice Committee on Juvenile Delinquency recommended that the minimum age of criminal responsibility be set at 10, or, at most, 12. The young offenders bill, Bill C-192, contained a provision to raise the minimum age to 10. The recent report of the Solicitor General's committee on Young Persons in Conflict with the Law—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. parliamentary secretary, but his allotted time has expired. The hon. member for Chambly (Mr. Loiselle).

[*Translation*]

Mr. Bernard Loiselle (Chambly): Mr. Speaker, I am sorry I feel duty-bound to rise on a motion I find excellent, but I agree with the hon. member for Calgary North (Mr. Woolliams) that we should intervene on such a matter as juvenile delinquency. Even then, I feel I should go even further. In his motion, the hon. member attacks, after a fashion, the consequences of our society. The penalties are criticized but not the source of evil. I have always felt that where juvenile delinquents are concerned, we should meet more often with the provinces as well as the various community groups, with a view to giving our young people . . . Mr. Speaker, may I call it six o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

TRANSPORT—REQUEST FOR STATISTICAL DATA INDICATING RISK OF OIL SPILLS AS RESULT OF INCREASED TANKER TRAFFIC

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my questions to the Minister of Transport (Mr. Lang), which were really a series of questions initiated on May 19 and continued on May 20 last, were to ask the minister whether he, or his department, was in a position to table in the House statistical data, or a report containing statistical data, which would indicate the risk factor in connection with the marine handling of oil and other hazardous cargo.

These questions were prompted by two recent events, the first of which was the release of a report commissioned by the Department of Fisheries and the Environment which was made available to those members of parliament who were interested. The report was entitled "The Determination of Probabilities of Oil Spills in Canadian Arctic Waters" and dealt specifically with the probabilities of blowouts in exploratory drilling in the Beaufort Sea and other Arctic areas. The briefing note from the environmental protection service of the department which accompanied the report indicated:

● (1800)

The report is an application to off-shore exploratory drilling of a method used to evaluate nuclear reactor safety. It uses the laws of probability to combine the probabilities of basic events which could lead to a blowout so as to predict the probability of a blowout.

The briefing note then goes on to say that while the report is limited,

. . . the report in its present form provides the best available statistical basis for decision-making.

My position is that it is very difficult as an issue to separate exploratory drilling from the handling of hazardous cargo. It may be that if we are successful in exploratory drilling, the amount of oil tanker traffic would dramatically increase, and therefore these two issues are inextricably combined.

The second event that prompted my series of questions to the Minister of Transport was a document filed by that department entitled "National Marine Emergency Plan" which deals with our capabilities, among other things, of handling oil spills and other toxic materials. I immediately had to ask myself that, given this report, which I found to be an interesting and informative report, does the department know the probability of an oil spill or of the spill of other toxic material and, if it does not, how can one evaluate the efficacy of the report or the ability to handle clean-up operations?

On May 20 when I asked the minister the second set of questions he indicated that internal working documents were available to him and that the department was developing positions in anticipation of an international conference. Therefore I have to ask if the department is in a position to make domestic decisions in this regard. Certainly they went so far as to file this marine emergency plan, and if they are in a position to adopt a Canadian position at what would presumably be an important international conference, why can they not table the material in the House of Commons? In my view his answer is unsatisfactory.

We are dealing daily with increased tanker traffic, super tankers, marine traffic and other hazardous cargo, super ports, such as the one that exists at Cherry Point, Washington, and the proposed Kitimat super-port on the west coast. Why in this area, when we have reports on nuclear reactor risks, on exploratory drilling risks, and a report from the Department of Fisheries and the Environment entitled "An Environmental Risk Index for the Siting of Deep Water Oil Ports", do we not have the report on the risk of handling oil and other hazardous cargo? I would like to know what the risk would be with increased traffic of oil tankers and other cargo ships, what it would be with increased size of ships, in certain weather conditions and at certain times of the year, all of which can be done actuarially.

To my dismay I found I could write or phone the U.S. coastguard and secure information from them, and yet we are in a position here in Canada where the minister can make a decision on the Canadian position at an international conference and yet is not in a position to table the material on which he based the decision. I can only assume therefore that the government maintains the view that this information is so technical that it should not be made available to the public for fear they would misunderstand, or not understand it at all. I suggest, in reply to that paranoia, that the government greatly underestimates the maturity of the Canadian public and the maturity of this House. How else can we make proper decisions—except of course the NDP who are always inclined to throw out the matter whether it be Kitimat or the Makenzie Valley or anything else—and how can we act responsibly and responsively unless the Minister of Transport is willing to take us into his confidence and release this information to us?

Mr. Maurice Dupras (Parliamentary Secretary to the Minister of Energy, Mines and Resources): Mr. Speaker, I should like to answer a part of my distinguished colleague's question in the three minutes available to me. I am sure he understands and appreciates that it will be difficult to do so in three minutes.

The main source of the vessel casualty statistics used in developing an oil spill expectation analysis for Canadian ship terminal systems was provided through records of the 3,763 world-wide tanker accidents which took place between 1969-1974. Records included only those tankers which have greater than 3,000 tons deadweight, which excluded, therefore, small harbour tankers used for bunkering ships in port.

An oil spill expectation algorithm was then developed from these existing ship casualty statistics in conjunction with predicted change in the volume of the marine traffic flow within the ship terminal system under consideration. Further, the algorithm was modified to encompass all the marine network constraints of the ship terminal system, including critical channel widths and areas of concern.

As you might appreciate, Mr. Speaker, some fairly complicated calculations are required to arrive at an algorithm which would take into account such factors as spill probability for coastal and ship terminal areas, exposure rates of design ships, etc., but time this afternoon does not allow me to pursue these factors in more depth.

Now, Mr. Speaker, with respect to the Kitimat ship terminal oil spill expectations, using this algorithm it was concluded that over a 25-year period there is a 75 per cent probability of one pollution causing incident of a major nature developing within the Kitimat ship terminal system, which could cause an oil outflow of 387 tons. In addition, an annual oil outflow of approximately 35 tons arising from minor incidents could be expected.

In conclusion I should like to point out that these oil spill tonnages compare favourably with the empirical rule of 40-70 barrels spill expected per million barrels of oil throughput.

AIR TRANSPORT—EFFECT OF PROPOSED TAKE-OVER OF TRANSAIR BY PACIFIC WESTERN ON PRAIRIE REGIONAL SERVICE

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, on May 6 I asked a question regarding the long anticipated prairie air service. It was one of a series of questions I have asked since 1974 when the Prime Minister (Mr. Trudeau), in

company with the then minister of national defence, the hon. member for Winnipeg South (Mr. Richardson), made a special trip to Winnipeg. He announced, during the election campaign, that there would be a prairie air service commenced, and that it would be dealt with expeditiously because it was realized that first-class air service was necessary to the continuing progress of the economy and of the community of eastern Saskatchewan and western Manitoba.

There has been no action since that time in specific terms other than a long series of negotiations, changes of mind, and unkept promises. This evening I raise the issue again in the hope, now that another summer is upon us, that we will be able to get assurance that this long anticipated service will commence during the summer months of 1977. I say this because it will require certain upgrading of facilities, and in answer to questions the Minister of Transport (Mr. Lang) has indicated that plans are under way and the necessary infrastructure will proceed as soon as the decision is made.

The situation becomes more ridiculous when you realize that in 1973 a terminal was opened at the airport just north of Brandon, Manitoba, which cost a considerable sum of money, and a short time later the service was withdrawn. This only adds to the urgency of the matter.

● (1810)

We thought we were about to get an air service when negotiations were under way with the province of Manitoba. But the proposal was turned down because it proved unsatisfactory to the government and the Minister of Transport. The minister has stated specifically that he wants commuter service between Winnipeg, Yorkton and Saskatoon. He has offered a $.9 million subsidy for that purpose. He also wants a jet service between Toronto, Brandon and Regina, and is providing a $1.1 million subsidy for that purpose.

A further complication emerged recently. As was indicated in the press and statements in this House, Pacific Western Airlines is now negotiating with Transair to take-over that facility and develop a co-ordinated and organized western regional air service. Transair has made the specific proposal in response to the minister's subsidy proposals. When I asked the question on May 6 the minister indicated that the last date for intervention was May 9, after which the Canadian Transport Commission would decide. Almost three weeks have passed since that date, and I hope this evening that whoever speaks for the government will indicate that the green signal has been given, that the service has been announced, and that we will receive the good news soon. We hope that at long last this badly needed air service will be provided to the prairie region and that the service will be well under way this summer.

I raise another matter in connection with the anticipated Pacific Western Airlines take-over of Transair. We want several assurances in this regard. As was indicated, negotiations will take almost one year. The government has approved the conducting of the negotiations. We want the assurance that the Transair maintenance base will remain in Winnipeg. Air Canada's moving its base to Montreal created an economic disaster of considerable proportions. That disaster was slowly being put right by the establishment of a maintenance air base operated by Transair. I hope we shall have the assurance that this facility will remain, despite the proposed take-over by Pacific Western Airlines.

We also want the assurance that jet service is still an essential part of the minister's proposal. If it will not be possible for a western regional air carrier to provide this service, we want the assurance that Air Canada will discharge that obligation. We used to have Air Canada service. That, unfortunately, was discontinued. Air Canada could easily divert one of its jets to the Toronto-Brandon-Regina route.

First and foremost, we trust the government can indicate this evening that the service will begin this coming summer.

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I can understand the impatience of my colleague, the hon. member for Brandon-Souris (Mr. Dinsdale). The minister is keenly interested in the introduction of air services to Brandon, Dauphin and Yorkton. The Government of Canada has announced its willingness to provide financial support of operating deficits, recoverable in part or in whole in return for service guarantees by the successful carriers. Applications to provide air services to some or all of these communities have been submitted to the Canadian Transport Commission by several interested parties.

The CTC has the responsibility to determine whether these proposed services meet requirements for public convenience and necessity. The date for final reply to interventions by the various apllicants was May 9, as the hon. member mentioned, and consideration of public hearings to assess the applications will probably be the next step taken by the CTC.

Should the proposed take-over by Pacific Western Airlines of Transair come to pass, this may influence the timing of future developments. Of course the take-over of one airline by another must be approved by the CTC. If a take-over of Transair were to take place, public hearings may be required.

The statutory responsibilities and the required procedures for assessing and approving the prairie air service proposals and any potential take-over remain with the CTC. The minister is deeply interested in improving air services in the west and prefers that the necessary steps to this realization be completed as quickly as possible.

INCOME TAX—MEAL ALLOWANCE FOR TRUCK DRIVERS—POSSIBILITY OF CHANGE

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I have a number of hourly wage earners in my constituency. A good many of them are truck drivers. Some of them have come to me with a problem that is endemic to the trucking industry. The Income Tax Department requires daily receipts for all meals which the truckers eat. In consequence of their representations, I asked the minister a question on March 22, which stated in part:

As the minister is aware, many of these drivers spend up to 200 days a year in their cabs, which is not the most conducive place to conduct office procedure, yet they are allowed only $7.50 per day for meals without receipts, whereas members of her department receive an allowance of up to $15. Is there any plan in her department or on her part to change the present requirement for truck drivers and allow at least $12 per day?

The first thing I would like to point out regarding this policy is the fact that it is discriminatory. Truckers have to show receipts in the 1975 taxation year for anything spent beyond $7.50. I understand it has now been increased to $9. By and large, what the tax department is saying is that they will grant them as little as possible without receipts.

Federal employees who travel on behalf of the government outside of their offices are granted per diems with no receipts at as realistic a rate as possible of at least $13.50 or $15. I do not understand why a truck driver should only get half as much an allowance as a civil servant.

These truckers travel across the country. They cannot just stop at any old place and get a meat that is good for them. They are hard working men and they deserve a little bit of allowance.

The minister said in a letter to me that it is a matter of control, the department has to be able to control expense. I received a notification from a hotel owner in an interior city. He pointed out that most federal civil servants when they stay outside the main metropolitan area go to a hotel down the street where they pay $22 or $23 a night, whereas if they stay at another hotel or motel they could get the same accommodation for $14 or $16. I do not think the government is in any position to talk about control over spending. The only ones it wants to control are the wage earners.

The second point I want to make is that the whole procedure of requiring these receipts is uneconomic. Imagine a tax file being delivered to the Income Tax office containing the records of a truck driver on the road for 200 days, eating three meals a day, with a total of 600 receipts. An accountant in the office would have to total the 600 receipts. If he missed a few, he would have to look through them again. He would have to be paid wages while counting those receipts. At the end, his figure may be challenged by the taxpayer and he would have to do it again. On the difference between the $7.50 and the $9, or the $9 and the $12 the truck drivers would like to have, when you figure out the tax on that difference is it an economic procedure to have a civil servant totalling all of those receipts, maybe twice, and then figuring out the difference? They might save a couple of bucks, but they will get it off the blue collar workers.

The third point I want to make is that this is a very disturbing mentality on the part of the government. Essentially what the government is saying is that every truck driver in this country is a potential crook. The government feels he should be watched because he might eat more than $9 worth of food. If he happened to have $11 or $12, the government might miss out on 30 cents. Therefore it tries to get that crook.

I lived in the United States for a few years. I attended university and worked part time there. I had to file an income tax return. The difference I saw was this. Any time I had to file an income tax claim in the United States I could go to that office and I could say, "Look, here is my file, can you help me with it?" And they would say, "Sure, here are two or three other places where you can save some money; you did not make the deductions for it." But try to do that with the Canadian revenue service. They would say, "You are trying to get away with something here." It is an entirely different attitude in Canada. What we are doing is educating our people to see themselves as potential crooks. Why cannot we give them the benefit of the doubt and let them eat proper meals on the road, quit fudging on a few receipts, and let them feel as though they were upstanding, honourable, taxpaying, working people?

The irony is that according to an article in the Vancouver *Sun*, when prisoners are let out of our penitentiaries on compassionate leave they are allowed $15. But a truck driver gets $9. I guess crime pays. Salesmen, when they go on the road, can take their customers to lunch. They can buy them cocktails, get them rib steaks, give them liqueurs. It is all a deductible expense. But unless a truck driver takes his three meals at McDonald's he will be seen as a crook if he does not have receipts.

I know one taxpayer who went to the bother of saving all his receipts for three months just to prove to the taxation department that he was spending $12 a day on meals. Mr. Speaker, you have been on trains. You know what it costs to eat on the road. A working man needs three square meals a day. Yet this gentleman who saved his receipts and proved beyond a doubt that after three months he had spent $12 a day was told, at the end, "Give us the receipts for the other nine months or you don't get your deduction."

The Acting Speaker (Mr. Turner): Order. I regret to inform the hon. member that his allotted time has expired.

Mr. Jacques Guilbault (Parliamentary Secretary to Secretary of State): Mr. Speaker, the administrative procedures insofar as away-from-home expenses are concerned are explained in detail in our information circular 73-21R2. The hon. member asked about the allowance for meals for long-distance truck drivers for income tax purposes. An employee of a trucking company or other employer whose principal business is goods and passenger transport, and is required regularly to travel away from his home terminal on vehicules used by his employer for that purpose, may deduct amounts disbursed for meals and lodging while travelling to the extent he is not entitled to be reimbursed by his employer.

He may claim under one of two procedures. Under the simplified method, he may file with his tax return a listing of trips actually taken, and the department will allow a maximum cost of $3.00 per meal without a supporting voucher. Under the detailed method, the employee must maintain a record book in which each disbursement is recorded, including the name and location of the restaurant and individual amounts expended. Disbursements so recorded will be allowed to the

extent they are reasonable and where they are in excess of $3 a meal they must be supported by vouchers.

Some members may quarrel with this method but it seems to me the simplest and the easiest way. We all recognize that in parts of the country it may not be possible to get a reasonable meal for $3. All we ask a person to do is to collect his bills and to list them.

Anyone who can live within the $3 meal ticket has an easy job; he does not have to collect any receipts. The hon. member referred to salesmen or executives taking their clients out for luxurious meals and deducting the cost from their income tax. Obviously in that case receipts must be collected; I do not think there is any other way. The idea of the $3 meal is to make it easy for those who eat a quick hamburger lunch. For those who want to taste French cuisine, we simply ask them to collect receipts so they can deduct the cost.

I thank the hon. member for bringing these points to the attention of the government. We will look into his suggestions. It might be that the floor of $3 should be raised, but whether it be raised to $4 or $5 per meal there will always be those who require larger meals—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the parliamentary secretary but his allotted time has expired. The motion before the House is now deemed to have been withdrawn.

Motion withdrawn.

The Acting Speaker (Mr. Turner): I do now leave the chair till eight o'clock tonight.

At 6.30 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO INCREASE THE MAXIMUM LIABILITY OF THE CORPORATION AND CREDIT GUARANTEES

The House resumed consideration of the motion of Mr. Basford (for the Minister of Industry, Trade and Commerce) that Bill C-47, to amend the Export Development Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be read the third time and do pass.

● (2010)

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, before I called it five o'clock I was speaking about the Export Development Corporation and its treatment of those who have small claims. The hon. member for York-Simcoe (Mr. Stevens) illustrated the point and spoke about the large amounts which were going to be lent to corporations to develop and to build companies in foreign countries which might even be competing against us because of their lower labour costs. That is the point I had come to when I called it five o'clock.

I want to deal with the question of how the little fellow—Small Industry— is treated in this regard. I have a claim here before me which goes back to August 3 of 1971. At that time I believe the minister of industry, trade and commerce was the present Minister of Energy, Mines and Resources (Mr. Gillespie). At that time there was a shipment of 40 bazoos made to the buyer on the terms of DOP/SD, later revised to 50 per cent 90 days, 50 per cent 150 days. That was the contract. On December 21, 1971, EDC was notified by Otaco Limited about the damaged condition of some goods which had arrived. I am just following this sequence and putting it on the record, and I will have more to say on each one individually.

On November 7, 1972, Otaco's representatives visited EDC and notified EDC that a claim was being placed with the Marine Insurance Company. EDC advised Otaco to send a representative to Kenya to sort out the problem. On January 19, 1973, the commercial secretary of the Canadian High Commission at Nairobi, Kenya, telexed Otaco suggesting that a representative from Otaco visit Kenya to sort out Marine Insurance problems and legal positions. On January 26, 1973, EDC advised Otaco that nothing had been heard from them since the meeting of November 7, 1972. Otaco wrote EDC suggesting that a representative from EDC visit Kenya with Otaco's sales manager. EDC advised Otaco that a trip to Kenya by a representative from EDC would not be justified at that time. Hon. members must realize that with all the contacts EDC and the government must have in Kenya, that type of answer should not have been given to a firm in Ontario.

On February 26, 1973, a claim was placed with EDC for the amount owing to Otaco by Grafton Construction Company. On March 21, 1973, EDC again advised Otaco that Otaco should send a representative to Kenya but that EDC could not consider paying the claim until the dispute regarding the damaged goods was settled. That claim was settled by the insurance company, yet EDC never kept its end of the bargain, nor did the minister and neither did the minister see that EDC kept its end of the bargain in this matter.

I would like to go back to the rules of the game as they are laid down. When goods are delivered in good condition they should be paid for, or if the people who order them go bankrupt, they should still be paid for. This is a part of that policy:

> ... failure of the buyer to pay ... goods delivered to and accepted by the buyer ... .failure or refusal of the buyer to accept the goods ... where such failure is not excused by and does not arise from ... any breach of contract on the part of the exporter ... insolvency of the buyer ...

The buyer went broke in this situation and was unable to pay, and yet that firm was made to make good the loan at the bank for those bazoos. This contract was entered into, and the

claim is claim number 3354. This contract was entered into by the Grafton Construction Company to buy 40 units of bazoos. A bazoo is an all terrain vehicle. It can go on land, water, mud or sand. It is an all purpose vehicle. Those units were sold to the Grafton Construction Company of Nairobi, Kenya. The goods were delivered and marked "Notify Bantam Plant Sales Company Limited". From all of the lengthy correspondence, I was able to learn from the government or its representative in Nairobi what part the Bantam sales organization played in this transaction.

I learned that the Bantam sales organization was to assemble the vehicles. The buyer was the Grafton Construction Company Limited. When the goods were inspected, it was found that some of the crates were damaged as well as some of the bazoos. The crates were landed at Mombasa and placed in bond. The Grafton Construction Company accepted the documents. The insurance company paid for the damaged goods. The insurance company accepted the claim, and for the goods which were damaged it paid $10,000. Surely that was evidence that the goods were all there and accepted. The insurance company accepted the claim, but the Export Development Corporation would not accept it. That left $30,000 still owed by this company.

The claim was pressed, and there was various correspondence. This went on from 1971 to December, 1975, when the last letter was filed, a period covering four years. I want to say to everyone in this House that expensive bureaucracy was never more demonstrated than it was in this little claim for $30,000 which that small firm had to pay. It cost 13 men their jobs. I am illustrating this case because we were talking about big deals involving other corporations amounting to millions of dollars over 15 years. This matter extended over a period of five years. Over and over the minister stated that he was working on it to see what could be done.

The rules which are laid down plainly provide that the Export Development Corporation will reimburse a firm which goes broke, if it bought goods. The company was assured of this at the bank, but who paid? This little firm paid and, as I said, 13 people lost their jobs. Another firm bought this firm out. I say again that the minister should consider this and see that the little guy gets a fair deal. The machines which were built would have been of tremendous help in Kenya where the terrain goes from mud to lakes to streams to rivers, and so forth. Bazoos can go across all of those things. This equipment was needed.

I have a whole file of correspondence here. I only read part of it. I do not intend to put it all on the record. However, I want to say that the auditors in Kenya checked the books and found everything to be in order. Why did they go to all that trouble never to pay that claim? Why all this bureaucracy?

I think it is time we took a look at the bureaucracy we have today and are developing in this country at taxpayer's expense. In this case $30,000 was involved. Two or three trips by the bureaucracy on its expensive aircraft could have been taken, the whole thing could have been paid on the expense incurred on investigation, it could have been written off and EDC could have kept its word because the insurance company paid the claim.

I am appealing for a square deal not just for multinational corporations, for corporations which are going to borrow millions of dollars over a long period of years, and not for communist countries which are lent money at low rates of interest. I am appealing for small companies in Canada that hire Canadian workmen. They should be looked after on a small claim such as this just as attentively as a big corporation is looked after, as the hon. member for York-Simcoe said today, a company which may be establishing in some foreign country and which will compete with us because of the lower wage scale there. That is my point, and I hope the minister has listened attentively to the case of the little worker who, for five or six years, went through the wringer of bureaucracy and in the final analysis was cheated.

● (2020)

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I just want to make one comment with respect to this matter. I feel that perhaps it could have been dealt with earlier if there had not been a difficulty with respect to this bill involving EDC which was first the subject matter of a $1 item in the estimates. The opposition indicated its opposition at that time to this method of legislating, and the Chair upheld in part our position. I will not make any comment beyond that. This bill is the result of the position that was sustained by the Chair at the instance of the opposition.

As the debate on this bill closes I hope the government will learn the lesson of this bill and bear it in mind so that with regard to $1 items in our estimates, items which are an attempt to legislate outside of the normal legislative process, the government will studiously avoid this kind of procedure. I think the record will show that, when speaking for Her Majesty's Loyal Opposition, at that time I indicated that we would give this bill swift passage when it came. I think the record will also show that we have done so in terms of the debate on this bill.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

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

* * *

JUDGES ACT

AMENDMENT TO INCLUDE TIME SPENT AS MAGISTRATE IN DETERMINING ELIGIBILITY FOR SENIOR POSITION

Hon. Ron Basford (Minister of Justice) moved that Bill C-50, to amend the Judges Act and other acts in respect of

judicial matters, as reported (without amendment) from the Standing Committee on Justice and Legal Affairs, be concurred in.

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

Some hon. Members: Agreed.

Motion agreed to.

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

He said: Mr. Speaker, I intend to be brief in speaking on this bill on third reading. First, I want to commend the hon. member for Calgary North (Mr. Woolliams) and other members of the official opposition serving on the Committee on Justice and Legal Affairs who dealt with this bill, both on second reading and in committee, in an expeditious and thoughtful way.

During the debate on second reading of this bill I spoke of the importance of preserving, and indeed, enhancing the independence of the judiciary. I indicated that this is a responsibility resting equally upon the government, the legislators, and the judiciary itself.

In this bill there are a number of provisions directed to this end. Provision is made for the appointment of a number of additional judges to enable the courts to contend with increasing case loads. Modest salary increases for judges are authorized to maintain judicial salaries at appropriate levels. Further representational allowances and conference allowances are provided to enable judges to keep abreast of developments in the law and to discharge special duties attaching to their offices.

In particular, there are the provisions creating a new regime for the administration of federal judicial affairs and establishing a county court committee of the Canadian Judicial Council.

As proposed in the legislation, the transfer from the Department of Justice to the new commissioner for federal judicial affairs, who is to be appointed only after consultation with the Canadian Judicial Council, that is to say, after consultation with the Chief Justice of Canada and the chief justices of appeal and of the superior courts in all the provinces and to the registrar of the Supreme Court of Canada of responsibility for the administrative affairs of federally appointed judges and federally constituted courts is a significant step forward in enhancing the judiciary's independence. It also recognizes the singular importance of the Supreme Court of Canada as the apex of our judicial system.

The creation of the county court committee equally strengthens the Canadian judicial council which was established in 1971 as a forum in which the judiciary itself could assume direct and active responsibility for enhancing the efficiency, quality, and uniformity of judicial services and for the self-discipline of judges throughout Canada. The Committee will provide an opportunity for the county and district court judges to participate more actively and directly in a number of the council's affairs.

Consequently, passage of this bill will constitute another important step in affirming parliament's commitment to the principle of an independent judiciary, and I wish to commend and thank members of this House who, both during second reading debate and committee consideration of this bill, gave close consideration to the measures provided for in the bill, and who also assisted in ensuring early passage of it by the House.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I will be very brief. We had an excellent debate on second reading and the bill received good scrutiny in the Committee on Justice and Legal Affairs.

I agree with the minister that we must respect the independence of the judiciary. That is part of the separation of powers in our democratic process. But I would remind the minister that things are not always beautiful and academic, as he points out. Many people say they make sacrifices, but there are very few people, and I could name one, who have ever refused a judgeship. Mr. Chambers, head of the firm of the former prime minister, the right hon. member for Prince Albert (Mr. Diefenbaker)—that was R.B. Bennett's law firm—turned one down. Not too many have turned one down.

• (2030)

If we are going to get the best men we must realize they are probably only going to earn 50 per cent of the income they earned in a law firm.

Mr. Knowles (Winnipeg North Centre): Or women.

Mr. Woolliams: Men or women. Persons.

Mr. Faulkner: A subtle difference.

Mr. Woolliams: I am worried about you.

Mr. Knowles (Winnipeg North Centre): Identify him.

Mrs. Holt: Are you worried or interested?

Mr. Woolliams: Well, if you were a lawyer I would make you Chief Justice because not only do you have the intelligence but you have the ability to understand human behaviour.

Some hon. Members: Hear, hear!

Mr. Woolliams: I will call them people. Not many people refuse the call of the wild goose. I remember when I was a young man—that was a long time ago—we used to lie on our backs and watch the geese go south. When it comes to the call of the wild goose very few refuse. Generally speaking, the appointment is offered to the best person. I think we made a great step forward when we referred the matter to the Canadian Bar Association and the bars of the various provinces for recommendation.

This bill will increase the salaries of judges, and of course the cost of living goes up the same for them as it does for members of parliament. A committee has been set up to identify matters in which neither the Chief Justice nor judges should become involved.

Our party endorses the bill. It has had very careful scrutiny and study in debate here and in committee. We are happy it is before the House for third reading, and we endorse it all the way.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, anything I might have said at this stage of the bill can be found between the lines of what the hon. member for Calgary North (Mr. Woolliams) has just said, so I shall settle for that.

Some hon. Members: Hear, hear!

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

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

* * *

CANADIAN HUMAN RIGHTS ACT

MEASURE TO PROTECT PRIVACY OF INDIVIDUALS

The House proceeded to the consideration of Bill C-25, to extend the present laws in Canada that proscribe discrimination and that protect the privacy of individuals, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Mr. Eldon M. Woolliams (Calgary North) moved:

That Bill C-25, an act to extend the present laws in Canada that proscribe discrimination and that protect the privacy of individuals, be amended in Clause 43, by adding immediately after line 4 at page 25 the following new subclause:

(3) Notwithstanding this Act, or any other Act of the Parliament of Canada, an appeal shall lie to a Federal Court of Canada from any order or decision or review of a tribunal, or from any dismissal of a complaint by a tribunal

(*a*) on any ground of appeal involving a question of law;

(*b*) on any ground of appeal involving a question of mixed law and fact;

(*c*) on any ground of appeal involving a question of fact.

He said: Mr. Speaker, may I say that I moved this amendment in committee but we have not received the committee report yet. I would have liked to have seen what was said by all members of the Standing Committee on Justice and Legal Affairs and to have incorporated some of their remarks in the record. I felt I had the sympathy of members of the committee on all sides. All came to me—I am not breaking any confidence in saying this and I shall not name them but I can say that some are smiling now as they look at me—and said they were concerned that there was no appeal.

In my experience at the bar, Mr. Speaker, once there has been a finding of fact by the trial judge, tribunal or administrative body, and providing they have acted within the law and have not usurped the principle of natural justice or waived jurisdiction by some irregularity, and if there is no appeal from the facts, then the decision handed down stands.

I have had some experience with the Federal Court Act, Mr. Speaker, and I would like to read Section 18 into the record. It reads as follows:

The Trial Division has exclusive original jurisdiction . . .

The Federal Court was set up to deal with most matters that relate to the federal statutes. There is one exception, however. I see the minister looking at me and I will tell him what that exception is. I have had experience with it. Under the Broadcasting Act you can apply to any superior court in the province. That is much better than having to go to the Federal Court because few lawyers understand that the rules and regulations are more in tune with the British system than with the Canadian system in the Federal Court.

Section 18 continues as follows:

(*a*) to issue an injunction, writ of certiorari, writ of prohibition, writ of mandamus or writ of quo warranto, or grant declaratory relief, against any federal board, commission or other tribunal; and

(*b*) to hear and determine any application or other proceeding for relief in the nature of relief contemplated by paragraph (*a*), including any proceeding brought against the Attorney General of Canada, to obtain relief against a federal board, commission or other tribunal.

Section 18 deals with special damages. A writ of certiorari is where there has been a mistake on the record or a mistake in law; where jurisdiction has been exceeded it can be quashed by procedures. If some person acts beyond their jurisdiction then there is a writ of prohibition. If some administrator will not do what he is supposed to do, there is a writ of mandamus.

I know what the minister is going to say. He will say that this is good legislation that is on the books and that we do not need any procedure of appeal under the Human Rights Act.

Section 28 of the Federal Court Act is quite broad. It reads as follows:

(1) Notwithstanding section 18 or the provisions of any other Act, the Court of Appeal has jurisdiction—

That is the appeal court of the Federal Court. It continues:

—to hear and determine an application to review and set aside a decision or order, other than a decision or order of an administrative nature—

I want the House, and particularly the lawyers here, to listen to that again:

—other than a decision or order of an administrative nature—

Some boards and tribunals—and I will deal with them when I deal with the Human Rights Act—make administrative orders and make decisions of an administrative nature.

In committee the minister said that this is sufficient and that we do not have to worry but, Mr. Speaker, I can quote many cases, and if it is of an administrative nature you might just as well forget about any appeal under the act.

Section 28 continues:

—not required by law to be made on a judicial or quasi-judicial basis, made by or in the course of proceedings before a federal board, commission or other tribunal, upon the ground that the board, commission or tribunal

(a) failed to observe a principle of natural justice or otherwise acted beyond or refused to exercise its jurisdiction;

● (2040)

I read again:

(a) failed to observe a principle of natural justice or otherwise acted beyond or refused to exercise its jurisdiction;

That is a question of law.

(b) erred in law in making its decision or order, whether or not the error appears on the face of the record; or

(c) based its decision or order on an erroneous finding of fact that it made in a perverse or capricious manner or without regard for the material before it.

No matter what the minister may say, Section 28 gives the right of appeal to an individual from the decision of an administrative tribunal only on a question of law. Consider the wording of subparagraph (c) "... based its decision or order on an erroneous finding of fact." That language refers to a judge's finding something as a fact where there was no evidence to support such finding; or that he found something as a fact, totally contrary to the evidence. The subparagraph goes on to say, "—that it made in a perverse or capricious manner—". That language refers to a perverse or capricious finding of fact.

As the minister well knows, there is lots of law saying that a perverse finding of fact involves a question of law. Therefore, the only right of appeal under the Federal Court Act is on a question of law.

I now come to my amendment. It asks that, notwithstanding this act or any other act of the Parliament of Canada, an appeal shall lie to a federal court from any order or decision, on any ground of appeal involving a question of law. That language does not contradict the language of the act. Subparagraph (b) reads: "On any ground of appeal involving a question of mixed law and fact." That point can cause difficulty. What is a question of mixed law and fact? I suggest it would include a perverse finding of fact. The last part of my proposed amendment reads, "(c) on any ground of appeal involving a question of fact."

This evening we are considering Bill C-25, an act to extend the present laws in Canada that proscribe discrimination and that protect the privacy of individuals. In other words, we are considering a human rights bill.

Before I get to the meat of my argument allow me to read Clause 2 of the bill. It says:

The purpose of this Act is to extend the present laws in Canada to give effect, within the purview of matters coming within the legislative authority of the Parliament of Canada, to the following principles:

(a) every individual should have an equal opportunity with other individuals to make for himself or herself the life that he or she is able and wishes to have, consistent with his or her duties and obligations as a member of society, without being hindered in or prevented from doing so by discriminatory practices based on race, national or ethnic origin, colour, religion, age, sex or marital status, or conviction for an offence for which a pardon has been granted or by discriminatory employement practices based on physical handicap; and

b) the privacy of individuals should be protected to the greatest extent consistent with public order and well-being.

The intent of that language is almost identical to the intent of the language in the Bill of Rights. Both pieces of legislation will commend themselves to Canadians. However, when you analyze this bill you will note that a tribunal is to be set up, or a commission, and one person can make a decision. What will be the effect of this? Let me give an example.

I have many friends in Calgary, some of them Jewish. One of those people owned a shop a little way from my office. When my children were younger I used to stop at his shop on the way home and buy my kids a little candy and popcorn. We always used to chat about politics. This chap hired, let us say, a Pakistani, and for some unknown reason some people of the community did not like the person he hired. They kept throwing bricks through his window. He had been at that location for 35 years and never encountered trouble. What happened?

Finally, he said to his employee, "Look, I feel sorry for you; we have suffered from discrimination, and you are suffering from it also. All the same, I am afraid I will have to let you go, because nobody will insure my windows. The people of this area are heaving bricks through them almost every night".

What would happen if his employee were to take his case to the human rights tribunal, if this bill were law? I assume this bill will pass. Say one man hears the case and says to my little friend, whom I have known 35 years, "You discriminated against your worker, you fired him because he was of a certain race. We do not know who is throwing the bricks, but I say to you, rehire that man. If you do not, we will close your shop or remove your popcorn machine." This could happen under this human rights bill.

Let us say this happens, as I have recited it, and my little friend loses his popcorn machine and is forced to close down the business he has operated 35 years. Unless this bill is amended, on those facts my little friend would have no right of appeal, because the tribunal say there is no question of law involved and, "I find you have discriminated against Mr. X," whatever the employee's name might be. Mr. Speaker, I am shocked that lawyers in this House and elsewhere have not been up in arms about this provision.

Hearing my submission in committee, the minister, showing either good judgment or political acumen, decided that yes, something must be done in relation to such arbitrary decisions. He said, "I tell you what; I agree that one man on a tribunal might make a mistake. Therefore let us make available the right of appeal." The aggrieved person, if less than three sit on the original tribunal, can appeal to other tribunal members, but these will all be administrators, appointed by order in council, and very likely all Liberals.

An hon. Member: Crummy Liberals.

Mr. Woolliams: I don't know about their being crummy Liberals; but that they will be Liberals you can be certain. I always remember what the right hon. gentleman for Prince

Albert said when the government appointed 19 people to the bench, 18 of them Grits. He said it helped him to understand something. When a CBC reporter asked what he meant, he replied, "I never understood the just society. Now I understand it very well. It's just for Grits."

The minister is a great poltician. I have always admired the political urbanity of the Minister of Justice. I remember sitting on a committee with him some years ago out in Banff and saw how smoothly he handled the whole affair. You can say one thing about the Minister of Justice: if there is any difficulty, he will sweep it under the carpet and so dismiss it.

An hon. Member: He's a Basford.

Mr. Woolliams: That's him.

Mr. Knowles (Winnipeg North Centre): That is "he".

Mr. Woolliams: The hon. member is right. My English is bad. I must apologize to the hon. member who always corrects us in our procedure, grammar, and otherwise. Of course, we do not all have the intellectual capacities of the hon. member in question.

You can bet that the people to be appointed to that commission, or to that tribunal will be Liberals.

An hon. Member: And highly qualified.

● (2050)

Mr. Woolliams: They are highly qualified if they are Grits. I could not agree more. However, they will be shaped and trimmed to make certain decisions. This will be without a right of appeal on facts because 99 per cent of the judgments, providing they are acting within the scope of their jurisdiction as a board, if it can sit as one man, are on findings of fact.

I think I know some law. Hon. members flattered me this afternoon. Tonight they will criticize me. That is typical of this place. How can one person make a mistake on law when under the act he has a right to find the facts? Once he finds the facts, that is the decision. You can check Sections 18 or 28 of the Federal Act and you will see there is no right of appeal.

Once I appealed to the legal instinct of the Minister of Justice. He said that maybe he had made a mistake, and he repented. When the Minister of Justice repents, it is quite a repentance. He said "We will allow you to appeal to your friends." It goes to the same old board, the same old club that belongs to the same group. That is no appeal at all.

We are dealing with human rights. Any individual, whether it be an employer, employee or unemployed person should have the right of appeal. The Minister of Justice does not agree.

In the Standing Committee on Justice and Legal Affairs, we live together. We flatter each other. We are lawyers. We see eyeball to eyeball. I have been a member of that committee for quite a while. But there is one thing I have learned over the years. Once the government decides to do something, it does it.

This bill was not drawn up by the minister. He probably did not see it until it came to his office. It was drawn by a bunch of bureaucrats. However, he has to justify it. I will tell you why. If he goes against those who tell him what to do, do you know what happens? They have a little discussion over coffee. They say that the minister is acting rather queer, going against what they are doing. He therefore has to stay within the terms of reference of his department. If we were the government, I guess we would have to do the same thing. However, that does not mean that I cannot raise the kind of grievance I am raising now.

Surely the minister is not going to tell me that the commissioners appointed to that tribunal will be perfect, great men who never have any ideas. Do you think there is anyone in this Chamber or in all Canada who does not have any prejudices? We are all a part of all that we have met, each is needed by each one, and nothing is God alone, said Emerson. We are a part of our environment.

Some person who sits alone makes a decision. We have the right, and we got that through the Conservatives, to appeal to three other people in the tribunal. However, I repeat, they all belong to the same club, the same factory, the same everything.

Why does the government deny my amendment? What is it afraid of? I will tell you. What government supporters fear most is that once they set up this administrative body they do not want any interference. According to Sections 18 and 28 of the federal act, there is no right of appeal from a finding of fact. Ninety percent of the decisions made by administrative boards, superior trial courts and county courts are on findings of fact.

There is a judge in Alberta who is now retired, God bless him. He was so frightened of an appeal from his judgments that whoever he would find for, the plaintiff for example, he would say, "I believe the plaintiff and disbelieve the witnesses for the defence. These are the facts."

The Court of Appeal would know it was a perverse finding. However, because of the law there could be no appeal from a finding of fact because trial judges are able to find those facts on the evidence. They would look at the witnesses and, when making their decisions, they would say who was telling the truth and who was not. Therefore the appeal would be thrown out of the court.

I will go further. In my own province there were trial judges so shaped and trimmed in their understanding of that kind of jurisprudence they could make a finding of fact against you that you could win in the court of appeal in Alberta. However, the Supreme Court of Canada followed the British practice and upset the judgment of the court of appeal. They always reinstated the original judgment.

We had a judge who is now retired, a great gentleman. I will not name him. He never wrote a judgment. If he was going to find for the plaintiff in an automobile accident, he would say "I find negligence. I give the plaintiff $50,000 and costs and double column five". If it went to the Supreme Court with no reasons for the judgment, they would say the judge must have instructed himself correctly, that he must have understood the

evidence and found the proper facts. Once that judge learned that was the decision of the Supreme Court of Canada, he never wrote a judgment, only one line. He was a very brilliant man of jurisprudence, very able and very understanding of our system. He understood its weaknesses and its greatness.

There are not many in the Chamber this evening on any side. Where are the lawyers who have read this bill without the right of appeal? I want to repeat, we are dealing with human rights. What we are dealing with is the same as the Bill of Rights. This bill states there will not be any discriminatory practices based on race. You and I know what that means—national or ethnic origin. You and I know what that means—colour or religion, age and sex, marital status, or conviction for an offence, etc. etc. And one person on an administrative board is to make a decision. That was the way the bill was drawn, but the Minister of Justice is going to stand and say "Oh, I gave them half a cake." He gave us nothing. You appeal, now, to his brothers and they will be three.

● (2100)

And when we have a bill going through on human rights I am shocked that outside of one in the NDP who stands for civil rights, a great gentleman and a great parliamentarian, there should be no one in this House of all of them, the great philosophers and supporters of human rights; the rest are not here, standing and supporting my amendment. Only one, a stalwart, a great Canadian.

An hon. Member: What is his name?

Mr. Woolliams: Well, there is only one here. He is from Winnipeg North Centre (Mr. Knowles). I see a Liberal now sitting at the back behind the NDP to back him up. They do not seem to be doing that in Ontario. I am shocked at this great party, and there is an election going on in Ontario; I will excuse them. I know that, but I sat in the committee, and where were they? They were absent.

Mr. Faulkner: As usual.

Mr. Woolliams: I don't know about "as usual" but they were absent and they did not raise their voices. There were Liberals who came to me, and I am not going to name them because things were said to me in confidence. I will say to the hon. member for Assiniboia (Mr. Goodale) that there were Liberals who came to my office and said "You were right but we can do nothing about it because the discipline is there."

I can see what is going to happen. This bill will be rammed through the House of Commons. The minister will ride either a black horse or a white horse, whatever horse he wants to ride, and say, "I am the saviour of human rights in this nation." Yet he is passing a bill which does not give the right of appeal to any individual whenever he stands, whatever his race is, whatever his colour is, whatever his religion is, whatever his employment is, whether he is an employer or an employee. It is not good enough.

In all the years I have been in this House I have never been more serious. This is a denial of natural justice and I urge the minister to reconsider his position. Don't come along with this wiffling, waffling amendment saying we are going to allow you to appeal to a bunch of other members of the commission when they are all in the same family, appointed in the same way, under the same conditions. God help us if that is the law we are going to implement as human rights legislation in Canada.

Some hon. Members: Hear, hear!

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened transfixed to the speech made by my hon. friend from Calgary North. The hon. member for Athabasca (Mr. Yewchuk) said it was the best speech of the day. He spoke with eloquence. He spoke with conviction, he spoke from a long background in the practice of the law, and I think he brought home as forcefully as anyone could in this House the importance of distinguishing in our jurisprudence between an administrative tribunal with judicial overtones and the judiciary itself.

There is in practice and in fact a difference between an administrative tribunal on the one hand, however well intentioned its members may be, and the traditions which surround the judges and our courts. I join with the hon. member for Calgary North (Mr. Woolliams) in appealing to the minister and to the government to consider the amendment which has been put on the order paper. I would remind the Minister of Justice (Mr. Basford) if I can do so, with the greatest respect, that this is the first time that there has been a human rights bill of this magnitude covering the matters which this bill covers within the federal jurisdiction.

Listen to part of Clause 2. It says:

> (*a*) every individual should have an equal opportunity with other individuals to make for himself or herself the life that he or she is able and wishes to have, consistent with his or her duties and obligations as a member of society, without being hindered in or prevented from doing so by discriminatory practices based on race, national or ethnic origin, colour, religion, age, sex or marital status, or conviction for an offence for which a pardon has been granted or by discriminatory employment practices based on physical handicap; and
>
> (*b*) the privacy of individuals should be protected to the greatest extent consistent with public order and well-being.

I do not intend to stand in this House and denigrate the sentiments of the minister with respect to this bill because it is one which affects every one of our lives. Yesterday in this House I raised the case of a person who feels discriminated against because of colour. I would not want that person's future to be decided on the basis of an arbitrary decision within the bureaucracy, however well intentioned, and I would not want to see that man denied access to the courts of this country. If that recourse were denied to him he would harbour within his soul for the rest of his days the suspicion that he had not been fairly dealt with.

I say to the minister that this is the first attempt, and a noble attempt indeed, to bring within our jurisdiction, at least at the federal level, some recognition of equality among individuals before the law regardless of their station. What is so wrong if that is the case? What is so wrong with acceding to

what my hon. friend from Calgary North has asked, and allowing those who must deal with this tribunal in one way or another, at least at the beginning while we test this new system, the right which has been granted historically, as it ought to have been granted, that is, access to the courts?

The amendment is broad, but the principles with which we are dealing are broad and, as I say, it will affect all of us in one way or another. This is the government's first attempt. The hon. member for Calgary North is absolutely right. Even within the judicial process there are occasions when people walk away from the courtroom feeling aggrieved. It is pretty hard to tell a person, as I have had to from time to time, why they lost their case. It is hard to get them to understand why, in a matter involving dollars and cents, or freedom, or relations between individuals, the court has found the facts against them and that another court cannot deal with the facts. In the mind of that person that is dreadfully wrong. It is no comfort for him to be told that had there been an error in law there would be a chance to go to another court and appear before a different set of judges.

• (2110)

We are not talking here about matters of dollars and cents or about relations between individuals. We are talking about the relationship between society and individuals. This is why the hon. member for Calgary North has gone so far in his amendment as to deal not only with errors in law which are to be the subject of appeal, and which I hope is nothing unusual, but errors involving mixed law and fact as well as errors involving a question of fact.

In this first attempt we are making to legislate broadly in the field of human rights we are saying to the people of this country that we have done our very best to ensure that all avenues are kept open to them, that no one avenue has been closed. If the amendment does not pass, then in terms of this new approach to that which human beings normally take for granted—the relationship of one individual to another, fairness of society and a whole host of other things—we will be saying that such matters ought not to be a matter for the court.

I appeal to the Minister of Justice to reconsider his position overnight on this matter. I am sure he has received representations from members of his own party on this subject. I cannot imagine some members from his own party on the committee, for all of whom I have great respect, not making representations to him privately in regard to this provision. I ask him to consider those representations as well as those put forward by the hon. member for Calgary North. I do not want this bill to leave this parliament deficient. I want the bill to leave this parliament as complete a first step as it possibly can be. I am afraid that unless there is couched within the bill those provisions suggested by the hon. member for Calgary North in his amendment, then the bill will be deficient and the government will have reason to regret its failure to support this amendment.

I am not suggesting that it would not be other than an administrative inconvenience to have an extra ground of appeal. I am not suggesting that there would not be some delay. But it would be a delay occasioned by people who felt themselves legitimately aggrieved by a decision. I think it important that we not let administrative inconvenience stand in the way of the proper administration of justice.

The Minister of Justice has talked from time to time about the two roles he performs. As Minister of Justice he has administrative responsibility for a department of government. He is also the Attorney General of Canada, which puts him above party. It puts him above considerations of mere convenience. It puts him in the position where he has to consider the administration of justice in a way perhaps different from any other member of the House of Commons.

It is in that spirit that I am happy to support this amendment which is being so ably presented by the hon. member for Calgary North. And it is in that spirit that I ask the Minister of Justice to consider the amendment carefully and to stand in his place before the end of this debate and agree it should be placed into the statute law that is to be eventually approved by the House of Commons.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I am glad to rise and support my friend, the hon. member for Calgary North (Mr. Woolliams) in the amendment he has moved at the report stage of Bill C-25. This is a bill to extend the present laws in Canada that proscribe discrimination and that protect the privacy of individuals. The short title of the bill is the "Canadian Human Rights Act".

As my hon. friend from Calgary North so ably pointed out, how can you start to define in a proper way human rights when in the interpretation clause of the bill legal rights are denied or restricted? In terms of the new area which this bill reaches into trying to remove discrimination of various forms, it is rather ironic, to say the least, that in attempting to control or eliminate discrimination the bill takes away something which has been fundamental in almost every bill, namely, the right of appeal to a higher tribunal.

I agree with my hon. friend from Grenville-Carleton that undoubtedly if this amendment were carried an appeal to the Federal Court might occasion delay. But, Mr. Speaker, what is a little delay in terms of defining human rights and making sure that errors are corrected when, on the other side of the coin, there could very well be a denial of justice and a restriction of freedom?

On this first day of extended sittings we are endeavouring to remove some of the legislative logjam along the road to June 30 so that we can celebrate our national birthday on July 1. Thank God, Mr. Speaker, the Centennial Flame continues to burn, because if we were to depend upon the inconsistency of the government it would be an on again off again thing. Your Honour may be wondering what this has to do with human rights. I suggest that the members of the House at this time have become over saturated not with just human rights but with the right of Canadians to have a Canada that extends from coast to coast. I could comment perhaps a little longer on that.

• (2120)

The moon is almost full outside. It is ironic. This year we are going to turn it on and have a July 1 celebration. Last year we turned it off.

Sometime I want to make a speech to my Prime Minister (Mr. Trudeau) about his inconsistencies on national unity and many other things. But tonight we are not talking about national unity. We are talking about human rights in all their form, colour, gender and mode of employment. We are going to have an administrative tribunal to define and enforce those rights. It is only to be subject to redress by some fellow brethren in the same level of the court, with no appeal to a higher court.

It is paradoxical to move into this very sensitive area, which is also an area of personal conflict. We move into this area to try to help individuals. We are trying to help them by defining and restricting discrimination. We are going to remove something almost every commonlaw lawyer looks at and knows, through experience, is necessary. I am referring to the right of appeal to a higher tribunal. However principled, however just, and however experienced the brethren in court are, there is a necessity to have that right of appeal.

If the Minister of Justice (Mr. Basford) says tonight the implementation of this amendment of my hon. friend will delay some of the proceedings under the Canadian Human Rights Act, what is a little delay when you are talking about human rights? What is a little delay when you are talking about a potential denial of justice? What is a little delay when you are talking about a potential restriction of freedom? I hope the Minister of Justice, either tonight or tomorrow, after having had a chance to reflect on this, will tell this House he is not breaking new ground by going along with the amendment of the hon. member for Calgary North. Almost every judicial bill has an appeal provision. Why do we take away the fundamental help which an individual can look to when every other source of help is gone? I am referring to the right of appeal to a higher court.

Some hon. Members: Hear, hear!

Mr. Nowlan: We have no experience in this field in terms of an administrative tribunal implementing this bill. It is only a bill, it is not an act yet. We are in a brand new area. That is another reason why we have to tread sensitively and build in protections down the road.

In another debate in this House the minister and other members on both sides of this House took very firm positions on something called capital punishment. We have all gone through the trauma and the emotion of that debate. I have faced the dilemma of the debate on the gallows on three or four different occasions in the eight or nine years I have been a member. Every time emotion builds up, and every time members wrestle with their consciences. Individual members have put their own consciences ahead of the collective conscience of Canadians.

I have respected those who were against capital punishment, but one of the salient arguments was the fact that you could always have a terminal error in the area of capital crime, with capital punishment at the end of the road. That could not be redressed, and that was an argument I could understand. I might not have accepted it and I certainly do not believe the judicial system today is anything like it was ten, 15 or 50 years ago when the underprivileged, the underdog, who was so often the accused, had not much chance at all in the judicial process.

The scales of justice have pretty effectively swung to rehabilitation and reform, which are high on the list of judicial process. Retribution and punishment certainly have been downplayed. In the former debate one of the salient arguments was that you could have capital punishment because you might make a mistake. We were told, "Make sure there is always an appeal; you might even have the final commutation, that is, executive commutation through the royal prerogative so that someone would not hang. We all know there are cases of that mistake occurring. In the last ten years there were even more cases documented where the killer, who was convicted once, was let out early, and he killed again. That is one of the reasons why I switched my stand on capital punishment.

It was the assessment of the potential of trial error and judicial error which said, "Let the condemned man have every right of appeal, right up to the highest person in the land", for example, the sovereign, for royal clemency.

Members to the left of me are usually provocative and prolonged—

Mr. Woolliams: And vociferous.

Mr. Nowlan: —and vociferous in their sincere defence of human rights and different types of rights. I do not fault them for that; but I do not know if it is the full moon outside that has got them all down by the Centennial Flame looking toward a potential June 30 recess in honour of July 1, which we are going to celebrate this year. We are going to be Canadians again this year. Last year it was not in style, this year it is in style.

Some hon. Members: Oh, oh!

Mr. Nowlan: I hear moans, groans, hee-haws and guffaws. Did you go to a birthday party on July 1 last year? No, you did not, because our Prime Minister said—

The Acting Speaker (Mr. Turner): I suggest the hon. member should return to the terms of the amendment.

Mr. Nowlan: With respect, Mr. Speaker, I am talking about human rights. I am not going to have anyone guffaw and hee-haw at me and then have them protected by His Honour on something as fundamental as my right to celebrate the birthday of my country on July 1, just because this Prime Minister is on again off again Finnegan, and on again off again Pierre.

Mrs. Holt: The Chair has ruled that it is irrelevant.

The Acting Speaker (Mr. Turner): I suggest the hon. member should refer to the Prime Minister of this country by his title and not by his first name.

Mr. Nowlan: Well, Mr. Speaker, I was not calling anyone "Pierre Elliott Trudeau". In any event, the hon. member for Vancouver-Kingsway (Mrs. Holt) used to be an author of some note.

An hon. Member: She still is.

Mr. Nowlan: She is an author of some note with a newspaper in the west. She fought for rights in police courts, was interested in the drug laws of the land, and in problems of juvenile delinquency. She was very active, vociferous, and made quite a name for herself in her concern for rights. I hope she stands in this House and says something positive about how she can support a bill, or conversely how she can deny the amendment moved by the hon. member for Calgary North which gives the right of appeal to the Federal Court.

Mrs. Holt: Why did you not bring it in 20 years ago?

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Annapolis Valley (Mr. Nowlan) has the floor for the purpose of making a speech.

Mr. Nowlan: I did not want to get into hot water here. I am glad you intervened, Mr. Speaker, because sometimes I need protection and help, especially when the hon. member for Vancouver-Kingsway gets after my tail.

An hon. Member: Watch what you say.

● (2130)

Mr. Nowlan: Be that as it may I would like to conclude.

Some hon. Members: Hear, hear!

Mr. Nowlan: Hon. members opposite applaud. Their party used to be a party which was liberal on rights. Mr. Speaker, I hope you will not rule me out of order for mentioning John Stuart Mill. He used to be a liberal theoretician in the classical sense of the word. A fellow called Sir Wilfrid Laurier was a very eminent member of this House and once the Prime Minister of this land. Stuart Garson was an eminent minister of justice in a then Liberal government. Louis St. Laurent was a classical liberal in the best sense of the word, and a lawyer to boot. Those gentlemen could not stomach this type of bill, which restricts the right of the individual and which does not redress a wrong which could be perpetrated by an administrative tribunal.

I wonder how many hon. members appreciate what the amendment put forward by the hon. member for Calgary North says. The amendment reads as follows:

> That Bill C-25, An Act to extend the present laws in Canada that proscribe discrimination and that protect the privacy of individuals, be amended in Clause 43, by adding immediately after line 32 at page 22 the following new subclause:
>
> "(3) Notwithstanding this Act, or any other Act of the Parliament of Canada, an appeal shall lie to a Federal Court of Canada from any order or decision or review of a tribunal, or from any dismissal of a complaint by a tribunal
>
> (*a*) on any ground of appeal involving a question of law;
>
> (*b*) on any ground of appeal involving a question of mixed law and fact;
>
> (*c*) on any ground of appeal involving a question of fact."

This amendment is said to break new ground and will create difficulty and administrative hangups in the Department of Justice. It is said it might be a cloak around the new administrative tribunal which might adversely affect the rights of individuals. All this amendment provides is an appeal to the Federal Court on a question of law, on a question of fact, or on a question of mixed law and fact. I think all of us in this House would be prepared to delay the implementation of an administrative tribunal rather than have a denial of justice, and as far as I am concerned I am prepared to support the amendment of my hon. friend because an administrative delay does not compare with restriction of individual freedoms. We cannot have an effective administrative tribunal which tries to protect human rights if we take away the right of appeal.

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I support this amendment without reservation or qualification. I am disappointed and surprised at what I perceive to be the minister's reaction to it.

I would like to deal with the subject matter under three or four different headings. As a lawyer I have practised before administrative tribunals on many occasions. As the minister will remember from his law school days, the nature of an administrative tribunal is somewhat of a jungle. Law students and law schools approach this subject with either trepidation on the one hand or fear and loathing on the other, because no one really knows how to deal with an administrative tribunal.

In law school we deal with remarkable things. We deal with extraordinary remedies, certiorari, mandamus, and that type of thing. There is no history, precedent or codification dealing with the operation of these tribunals. Some have operated effectively, and some have been disastrous. The point which I think is terribly important to make is that what is sometimes regarded as a cliche—justice must not only be done but must also appear to be done—is far more than a cliche. The perception of those who might find themselves in front of this tribunal is equally important as the substance of that tribunal's work. Let us remember that if those who might find themselves in the very extraordinary and emotional position of being before that tribunal are inhibited from doing so because of their perception of that tribunal, then this legislation is self-defeating.

I agree with the preamble of this bill. I do not think anyone in the House will challenge it, but if those who are potentially before the tribunal are deterred from availing themselves of its provisions, then this legislation is counter-productive. What would deter them from availing themselves of the protection of this tribunal? Well, certainly one thing would be if it is regarded as somewhat of a star chamber. There have been administrative tribunals of that nature, and I will name one, the CRTC.

The atmosphere before the CRTC prohibits the free expression of those who choose to challenge its rulings. We have CRTC hearings in Ottawa which decide the fate of people right across the country. Who is to come from my riding, from Calgary North, from the minister's riding, or from Annapolis Valley to appear before that tribunal in order to express freely their concerns about its deliberations?

Another one is the National Energy Board, which is charged with a terribly important function, but the atmosphere there is one in which no one but a lawyer would be comfortable. That is why I think we owe a great tribute to Mr. Justice Berger, who created a quasi-administrative tribunal and provided an atmosphere for people in all walks of life to be comfortable in while expressing their opinions about the future of their country and their communities.

With regard to appeals, it seems to me that the perception of an appeal to a group of confreres of the sole arbitrator has to be negative. As the hon. member for Calgary North (Mr. Woolliams) pointed out, it is all in the club. At least that is the perception. I do not question the integrity of those people, but I can see what the perception would be. Why should the so-called appeal board overrule the decision of one of its fellows?

Mr. Nowlan: Are they going to do it over lunch?

Mr. Jarvis: That would be terribly counter-productive to the stated purposes of this legislation.

It is my view that a judicial appeal helps an administrative tribunal. An appeal to a court of appeal, for example, is almost like going to school for those who sat on the administrative tribunal in the original case because there are many cases where, without a lack of integrity or keen desire to be an effective tribunal, these people go astray. They get off on tangents. They do make mistakes, not just in law but also in their terms of reference. They make mistakes on the amount of evidence they allow in, and there are all kinds of things which lead an administrative tribunal astray. It has happened over and over again with innumerable tribunals. Therefore it appears to me that the right of appeal which is proposed in this amendment by the hon. member for Calgary North makes sense.

I think a good example of helping an administrative tribunal become more effective has been the system of possibly the best known administrative tribunal in Ontario. That is the Ontario Municipal Board, a very important administrative tribunal to the various communities of Ontario. Many of its decisions have been appealed successively, but I have never heard any of the board members say anything else but that those appeals were a great assistance to them in their future deliberations. Therefore, I earnestly solicit the minister's consideration of this amendment.

● (2140)

The minister must feel that there is some basis for an appeal, otherwise he would not have agreed in committee to an appeal to a board of three members. If he agrees in principle with an appeal, I would earnestly hope that he would agree, or at least consider, a judicial appeal which under this bill in particular makes much more sense than an appeal to three fellow board members from the original board member. As one of the earlier speakers said—it might have been either the hon. member for Calgary North (Mr. Woolliams) or the hon. member for Annapolis Valley (Mr. Nowlan)—perhaps the minister could sleep on it, and sleep well on it, because this amendment, as proposed by the hon. member for Calgary North, has a great deal to commend it in terms of justice and equity and in terms of being a useful tool to increase the effective administration of the original tribunal, and finally, in terms of the perception of those men and women on the tribunal who will be seeking a sense of integrity. Surely they deserve nothing less than that.

Mr. Leonard C. Jones (Moncton): Mr. Speaker, this seems like a very simple argument. The amendment is so simple and clear to me and to anyone who has practised law or is still practising law that it must be quite obvious what is taking place.

The amendment has already been quoted several times here tonight. It is a request for an appeal to the Federal Court of Canada on the basis of facts, on the basis of law, or an appeal on the basis of a mixture of facts and law. What we are concerned about are the human rights that are referred to in Clause 2 of the bill. This too might have been recited on several occasions this evening. My only regret is that the clause is not complete.

There is so much discrimination in this country today. One that I know of and one of which I have been a victim is political affiliation, or lack of it. I am certain that the committee, of which I am not a member, should have considered it and put it in the clause. But be that as it may, any decision that will be made by officials appointed by the government or by another group of government officials is a decision made by an administrative tribunal. Any lawyer, official, or union official who has appeared before appointed tribunals knows the errors in facts and the errors in law, or errors in fact and law that they make, and there are many of them. I will give you an example of one.

The review committees before the Canada Pension Plan and the various boards of referees across this country are an example. Goodness gracious, if people were to exercise their right of appeal, we should be in one heck of a mess in this country. Nevertheless, these are human rights, and it is important. Someone said here that we are starting down a new road. Let us get on that road and stay on it.

All I can say is that this amendment, which is fair and equitable, and which attempts to give some justice to a bill which should try to give justice to the people, and which attempts to see justice done, should be approved. I suggest that members of the House and the minister should acknowledge that there is a gap and a loophole in this proposed law which should be filled if human rights are to be protected. If the purpose of the bill, the preamble and the title are to mean anything, and if human rights mean anything to parliamen-

tarians, then we should approve this amendment. If we do not pass this amendment, the entire purport and intent of the bill will be useless. Certainly a judicial appeal will mean a great deal more than an administrative appeal. A judicial appeal before a judge in the Federal Court will mean that you will get a proper interpretation and a proper study of the real facts and of the law.

I have no alternative but to support this amendment because it is just, and without it the bill would be unjust.

Some hon. Members: Hear, hear!

Hon. Ron Basford (Minister of Justice): Mr. Speaker, may I speak very briefly on the amendment moved by the hon. member for Calgary North (Mr. Woolliams). First may I say that I have enjoyed this debate immensely with the praise for the bill from the hon. member for Calgary North, the hon. member for Annapolis Valley (Mr. Nowlan), and the hon. member for Grenville-Carleton (Mr. Baker). They said what a terribly important bill this is and what an important initiative by the government it was to put before parliament a bill dealing with the human rights of Canadians. What a contrast! I am delighted that hon. members opposite have, in the course of debating this bill and listening in committee, learned something about the bill, because at second reading, if one wants to look back at the record, this bill was pooh-poohed as being unnecessary.

Mr. Woolliams: That is nonsense.

Mr. Basford: And they are the party of the great hon. member for Prince Albert (Mr. Diefenbaker) who wrote the Bill of Rights. They said that that was all that was really necessary and that this bill was quite unnecessary. I am delighted that the opposition has had a change of heart and has recognized tonight that this is a bold and important initiative of the government.

Some hon. Members: Hear, hear!

Mr. Basford: The hon. member for Calgary North just said that that is nonsense. Let me read from the proceedings of the Committee on Justice and Legal Affairs of May 10 at page 17:5,77. The hon. member for Calgary North cross-examined me and went through a whole course of questions to me and to one of my consultants, Professor Walter Tarnopolsky, who has worked on the bill with me. He is a special consultant to the Department of Justice and a Canadian representative to the United Nations Commission on Human Rights. This is what the hon. member for Calgary North said:

> How does it strenghten the law to give human rights to the average Canadian?

It is a great question compared to what he has argued here this evening. Later on he said:

> With the greatest respect, and I am not saying that there is anything wrong with the bill, I am just asking you what it adds, other than what the Bill of Rights has already done?

Throughout the course of that cross-examination there was the allegation that the bill was unnecessary.

Canadian Human Rights

Mr. Woolliams: Mr. Speaker, I rise on a point of privilege. As the Attorney General of Canada and the Minister of Justice, the minister should not take things out of context. I recall that he used to do that when he was a backbencher, but I would think that now he has been raised to the exalted position of the Minister of Justice he would not take things out of context. I will tell him that if he reads my speech with any degree of honesty he will find that my only criticism of the bill is what they will do by order in council. If he is honest he will know that I co-operated throughout the debate on the bill. The bill went through the committee expeditiously. It is true that I said the bill covered many things that the Bill of Rights covers. But I am saying to the minister: let us get the facts. He is denying in a bill that covers human rights, and natural justice, the right of appeal of the average Canadian.

● (2150)

Mr. Basford: Mr. Speaker, I have previously stated many times in this House that the hon. member for Calgary North has been helpful and constructive at the Standing Committee on Justice and Legal Affairs with this and other bills. That is a matter that I have put on the public record many times. For purposes of this debate I am also quoting the public record of the cross-examination of me in the committee. I mention it in order to record my delight this evening at the recognition by hon. members opposite that this is an immensely important measure to the welfare of the average Canadian and an important measure to taking further steps to establish justice, fairness, and equality for all Canadians.

It has been said in the debate on the amendment this evening that there is no right of appeal in Bill C-25. This is utter nonsense. Under the Human Rights Act, the tribunals and their decisions are subject to the Federal Court Act.

Mr. Woolliams: Under Sections 28 and 18; I read them.

Mr. Basford: Subject to Sections 28 and 18, as the hon. member for Calgary North just indicated. Let me read into the record what section 28 provides. Section 18 deals with access to the trial court of the Federal Court for the use of prerogative writs in the supervision of administrative tribunals. Section 28 reads:

> (1) Notwithstanding section 18 or the provisions of any other Act, the Court of Appeal has jurisdiction to hear and determine an application to review and set aside a decision or order, other than a decision or order of an administrative nature not required by law to be made on a judicial or quasi-judicial basis, made by or in the course of proceedings before a federal board, commission or other tribunal, upon the ground that the board, commission or tribunal
>
> (a) failed to observe a principle of natural justice or otherwise acted beyond or refused to exercise its jurisdiction;

The hon. member for Calgary North heckled me, saying that it did not provide appeal for natural justice.

Mr. Woolliams: I did not say that. Mr. Speaker, a point of order—

The Acting Speaker (Mr. Turner): The hon. member for Calgary North rises on a point of order.

Mr. Woolliams: I wish the Minister of Justice would stay with the facts. I am sure he knows the point I made. I do not know how long the minister practised. I am told it was two years before he became a member of parliament, but I am sure with a law degree he would know that everything in Section 28, no matter how he dishes it up, is a question of law. What I am saying and what I said is that I want to appeal from one person sitting in a tribunal alone. He said in committee that there could be an appeal to three—which is all part of the hanky-panky nonsense when we are dealing with human rights—on a question of fact. He can dish up perverse facts, capricious facts. They are all questions of law. I would hope that the Minister of Justice has not forgotten his first-year classes in law.

Mr. Basford: Mr. Speaker, that is not a question of privilege, it is debate, with deference. The hon. member for Calgary North made his speech in support of his amendment and I should like to make mine. If I misunderstood his heckle, then I withdraw my remarks.

Mr. Woolliams: Good.

Mr. Basford: I do quote and make clear to this House—because in some of the speeches it has not been made clear—that there is the right of appeal from a decision of the commission or any of its tribunals on the basis that the commission or tribunal, as Section 28 provides:

> (a) failed to observe a principle of natural justice or otherwise acted beyond or refused to exercise its jurisdiction;
>
> (b) erred in law in making its decision or order, whether or not the error appears on the face of the record; or
>
> (c) based its decision or order on an erroneous finding of fact that it made in a perverse or capricious manner or without regard for the material before it.

It has been suggested in this debate that Section 28 is not very useful; that it is really not an appeal and therefore we should accept this amendment to supplant it. Since that section was passed in 1971, 1,507 cases have been heard by it on questions of natural justice, errors of law and decisions or orders based on an erroneous finding of fact, including decisions against the Canadian Transport Commission, the Department of Manpower and Immigration or the Immigration Appeal Board, actions against the Public Service Commission, and a whole range of administrative tribunals that are subject to judicial supervision as provided in this section.

If, as is alleged, Section 28 is not very effective, I doubt that 1,507 people would have gone to the trouble and expense—

Mr. Woolliams: Mr. Speaker, on a point of order, again the Minister of Justice is leaving the wrong impression with the media, hoping to bail himself out. I should like leave to ask the minister a question. He dealt with 1,507 cases. I suggest to him that they were all on points of law—

The Acting Speaker (Mr. Turner): That is not a point of order but a point of debate.

[The Acting Speaker (Mr. Turner).]

Mr. Woolliams: —and secondly, all of those were motions on a question of taxation. Let us be honest. Let us not misrepresent the facts.

The Acting Speaker (Mr. Turner): Order, please. I suggest to the hon. member for Calgary North that he is debating. That is not a point of order.

Mr. Woolliams: I say to you, Mr. Speaker, let the Attorney General and the Minister of Justice come clean with the facts and be honest tonight.

Mr. Basford: Mr. Speaker, if the hon. member wants the facts, I have with me a very comprehensive statement of those statistics which is far too extensive to read into the record. I would ask leave of the House to table it.

Mr. Woolliams: No. I want them explained.

Mr. Basford: Now the hon. member does not want them. I indicated at committee that of the some 1,500 cases, 1,100 involved appeals against decisions made under the Immigration Act, which is surely one of the very basic human rights of this country. It has nothing whatsoever to do with income tax and the Department of National Revenue. I believe that was 1,103, speaking from memory—

Mr. Woolliams: Taxation cases.

Mr. Basford: —involved manpower and immigration. I would ask the hon. member for Calgary North to pay some attention to the facts and some attention to the record of the Standing Committee on Justice and Legal Affairs where these facts were broken down. It was clear that the majority of cases using Section 28 involved manpower and immigration decisions, a basic human right in this country.

May I suggest that because of Section 28 this amendment is unnecessary. I should like to quote from the brief that the Canadian Bar Association presented to the Standing Committee on Justice and Legal Affairs. It had a number of comments to make on Bill C-25, including a section on appeal. They claimed that the bill did not seem to provide for any right of appeal and recommended that appeal should be available on questions of law or on jurisdictional facts, from decisions of the tribunal. They questioned whether judicial review of the tribunal's decision would provide a speedier remedy.

Let me deal with those three sentences and those three recommendations. In complaining that the bill does not seem to provide for any right of appeal, the Canadian Bar Assocation failed to take cognizance of Section 18 or Section 28 of the Federal Court Act. They recommended that appeals should be available on questions of law or jurisdictional facts from decisions of the tribunal. But those two grounds, law and jurisdictional facts, are clearly contained within the rights of appeal provided in Section 28. In fact Section 28 goes further.

● (2200)

The third sentence says, "We question whether judicial review of the tribunal's decision would provide a speedier

remedy." That means that they question the very amendment the hon. member has proposed, because that amendment would provide for a complete judicial review of every decision, and the Canadian Bar Association says that it questions whether a judicial review of the tribunal's decision would provide a speedier remedy.

The hon. member for Calgary North can get up, if he wishes, claim he is a great legal expert, and say that this is a very basic legal question. He can accuse me of not fulfilling my obligations or duties as Minister of Justice if I resist his amendment. But I say that the Canadian Bar Association, in its representations made to the Justice and Legal Affairs Committee, in effect recommended against the adoption of his amendment.

Mr. Woolliams: They didn't say that at all.

Mr. Basford: They supported the two grounds, or those grounds of appeal provided in section 28 of the Federal Court Act.

An hon. Member: Read the entire comment.

Mr. Basford: I just did. That was the entire comment of the Canadian Bar Association on the question of appeal.

Mr. Woolliams: That was one of your own Liberals speaking. A Liberal said that.

Mr. Basford: May I touch on why we, in this country, have established human rights commissions and human rights tribunals?

Mr. Woolliams: I still think I'm right.

Mr. Basford: In all the provinces of Canada we have set up human rights commissions and passed human rights acts, and the idea has been to develop anti-discrimination programs within the jurisdiction of those provinces. Now, following the actions of human rights commissions and tribunals, we have established an administrative organization known as an administrative tribunal. This can come to the rescue and assistance of those in society against whom discrimination is practised. Mr. Speaker, we are embarked on a highly specialized area of endeavour.

What is the concept of this bill? It is the promotion and development of affirmative action programs, and the promotion and development of the concept of equal pay for work of equal value, both for men and women, without discrimination. It has been found from experience that this sort of thing is most effectively done through human rights commissions, tribunals or inquiries—whatever they may be called.

I quote the evidence given on May 19 before the committee by Professor Tarnopolsky, whom I have already mentioned. After the committee had wondered if human rights could better be advanced by the courts or by the sort of commission being proposed, he said, among other things:

> The condition that had occurred right up through the enactment of human rights legislation in the provinces was that it was impossible to get redress in the courts for acts of discrimination. The same thing was true as based upon the civil law of Quebec because it was based on the common law of the other provinces. It was specifically for this reason that the provincial legislatures all moved into the area of the administrative tribunals, as the minister mentioned . . .
>
> The experience showed repeatedly in the province of Quebec where there are three cases, in Ontario there were two cases—and this was even after the enactment of the human rights legislation—and a certain number in Saskatchewan. But when the cases were taken to the courts, it was a totally new approach to comprehend the objects of human rights legislation. I would not want to say it was failure to comprehend because that would be unfair to the courts, but at least it was such a totally new approach that the provincial legislatures found it just unsatisfactory and moved to the field of the administrative agency.

The provinces of this country have had to legislate in this area. They have introduced anti-discrimination legislation and human rights legislation, and implemented this legislation through administrative tribunals, with limited rights of appeal. That has been found the only effective way to deal, in this specialized area, with the problems of those who suffer from discrimination. We are building on the experience of the ten provinces and that, exactly, is why we are proposing the provisions in Bill C-25. We are proposing the setting up of an administrative tribunal; the human rights commission and its tribunals. They will operate in a specialized area, with limited rights of review or appeal under the Federal Court Act, covering questions of natural justice, jurisdiction, errors of law and decisions based on erroneous findings of fact.

I suggest, in spite of the rhetoric from members opposite, that the approach embodied in Bill C-25 is based on the experience of ten provinces and ten jurisdictions in this country.

There has been some criticism within the committee and within this debate of the provisions of Section 28. I made it clear publicly and made it specifically clear in committee that the whole of the Federal Court Act is under review, including the jurisdiction of the court and the exercise of powers by the court in line with discussions and consultations I have had with provincial attorneys general.

If, as some members suggest, Section 28 is somehow deficient, which I do not concede for the purposes of this discussion, the time to amend it is when the Federal Court Act is before this parliament, which will be the next session.

The whole purpose of the Federal Court Act was to develop a federal court and a federal court of appeal that would provide a uniform judicial supervision over all of the federal administrative tribunals. I submit it would be unwise to go against that trend and go back to the old days where we had different rights of appeal.

Mr. Woolliams: Will the minister answer a question?

Mr. Basford: When I am finished, Mr. Speaker.

Mr. Woolliams: That shows he is afraid to answer the question.

The Acting Speaker (Mr. Turner): Order, please! The minister said he would accept a question after he finishes his speech.

Mr. Woolliams: But this is the time to ask it.

The Acting Speaker (Mr. Turner): Order, please.

Mr. Basford: It would be wrong to reverse the trend of the last six years where we have endeavoured, through the Federal Court Act and amendments to various statutes, to provide uniform, consistent, co-ordinated judicial supervision of administrative tribunals. It would be wrong to reverse that trend and begin establishing different rights of appeal for each of the different federal tribunals.

If the rights of appeal are to be changed in the Federal Court Act, they should be done in the Federal Court Act itself—applicable to all administrative tribunals.

Mr. Woolliams: Isn't that awful.

Mr. Basford: If the procedures of appeal and the rights of appeal are wrong for the human rights commission as suggested—

Mr. Woolliams: Rubbish.

Mr. Basford:—they are equally wrong for the immigrants to this country under the Immigration Act. They are equally wrong for people who have rights and needs under the transportation policies implemented by the transportation commissions. Therefore this piecemeal approach suggested by members opposite is one that is not to be recommended.

Mr. Nowlan: How many immigration appeal boards are there in Canada?

Mr. Basford: I guess the hon. member was not listening. There were 1,100 appeals.

Mr. Nowlan: How many immigration appeal boards are there?

The Acting Speaker (Mr. Turner): Order, please. The Minister of Justice has the floor.

Mr. Woolliams: Well, it's too bad he does.

Mr. Basford: Concern was expressed in the committee about one-man tribunals. The committee discussed and accepted a system whereby there would be an appeal from a one-man tribunal. That is a proper solution to that problem.

The employer or the claimant not liking the decision of a one-man tribunal would have two remedies. He could either appeal to a three man tribunal or exercise his right under Section 28 and appeal to the Federal Court of Appeal. This question of appeal was examined very carefully by the committee. The committee heard not only my evidence but the evidence of Dr. Tarnopolsky whose credentials are accepted by this House as well as across the country. This is a process which resembles the mechanism the provinces have followed and I commend it to the House, and this can only done by defeating this amendment.

[Mr. Woolliams.]

• (2210)

Mr. Nowlan: Mr. Speaker, I obviously shall not comment on what the minister has just said, but that basically was my question. My question is in two parts. The minister quoted very interesting figures of the use made of the appeal procedure under section 28 of the Federal Court Act. But cannot the minister understand that it is the very fact that there has been provincial involvement in the provincial human rights commissions—I think they have them in all the provinces, but the minister would know this better than I—but if there are ten human rights commissions in ten different provinces they would be dealing with human rights as they are recognized in those provinces. And this is why, certainly in the federal human rights commission, there should be that final right of appeal to a judicial process, the Federal Court, so that perhaps we might get some consistency in human rights legislation.

You only have one Immigration Appeal Board. You only have one Income Tax Appeal Board. You only have one Transport Commission. All of the bodies the minister mentioned which have utilized the Federal Court Act have been single administrative bodies. The minister himself admits that the different provinces have set up their own commissions. Does this not suggest that there should be at the end of the road some judicial process from the federal human rights commission to the Federal Court?

The last part of my question is this. Again using the analogy to which the minister referred, does he not see already, with what is going on in the country, the human rights commission in Quebec being overruled by a provision of Bill 1, which says in effect that Bill 1 will have priority over human rights decisions by the human rights commission of Quebec, some need for the right of appeal to a federal court?

Some hon. Member: Right on!

The Acting Speaker (Mr. Turner): That is a long question.

Mr. Woolliams: It doesn't matter. It is important.

Mr. Basford: I have some difficulty answering the question because I am not sure the hon. member understands the division of jurisdiction in the country. There are ten human rights commissions operating under different provincial statutes. There are different requirements in each of those acts, and in the various provincial laws there are rights of appeal provided, rights which are, generally, limited for the same reason that the rights in this law are limited, that is to say, because we are dealing with a specialized area. It would be totally wrong, incidentally, and an invasion of provincial jurisdictions to suggest, as the question seems to suggest, that there should be some appeal by way of the Federal Court Act from decisions of human rights commissions in the provinces.

Mr. Nowlan: I did not suggest that.

Mr. Basford: These ten provincial commissions are operating within their own jurisdictions under their own laws, many of which are different from Bill C-25 in various respects.

Whatever judicial supervision is provided over provincial commissions is provided within the laws of each of the provinces. Provision exists for judicial review of the federal commission provided for under this law and this is properly done by the Federal Court. But a decision of the Federal Court cannot and should not be used as some means of judicially supervising provincial commissions.

Mr. Nowlan: I did not suggest that.

Mr. Woolliams: I wish to thank the Minister of Justice for indicating he would accept a question. I will be brief. I ask him, to the best of his ability, having read sections 28 and 18 of the Federal Court Act, if, on a pure question of fact—I do not mean a finding of perverse fact or capricious fact—there is an appeal?

I would ask the minister a second question and he can answer both. Did he not promise in committee when I raised this question that Section 28, which has been subjected to legal scrutiny, would be amended? Knowing the weaknesses of Section 28, will the minister not come clean and say that, under the circumstances, there is no proper, legal or just appeal from this bill?

Mr. Basford: Mr. Speaker, with regard to that question, the right of appeal on questions of fact is clearly set out in Section 28(1) of the Federal Court Act. A review may be made if the commission or tribunal bases its decision or order upon an erroneous finding of fact which it made in a perverse or capricious manner, or without regard to the material before it.

There is a whole line of cases dealing with questions of fact and how the Federal Court has exercised its jurisdiction under the section. I might refer the hon. member to Mojica v. Minister of Manpower and Immigration, (1977) 1 Federal Court, 458, and to—

Mr. Woolliams: Answer the question. Don't read off a bunch of names.

Mr. Basford: There is a whole line of cases which clearly give the legal interpretation which the Federal Court Act has given to Section 28(1)(c). I undertook in committee that the Federal Court Act, which I announced quite some time ago, would be subject to review. I did not—I want the hon. member clearly to understand this—undertake to amend Section 28. I said it was part of the review process to review Section 28.

Mr. Woolliams: Mr. Speaker, I rise on a point of privilege. I must say that this bill went ahead at report stage before all the committee reports were published; I checked that very carefully. The Minister of Justice did say in committee, and left no reservation whatever, that Section 28 would be reviewed.

Mr. Basford: That is what I have just said.

Mr. Woolliams: My other point of privilege is that the Minister of Justice knows, if he knows anything, that every (a), (b) and (c) of Section 28 concerns questions of law. On a question of pure fact there is no appeal from the tribunal. We are dealing with human rights and natural justice. We have been good friends over the years, but tonight I am shocked that he would mislead or try to mislead the press and the House as Attorney General and Minister of Justice of this country.

The Acting Speaker (Mr. Turner): Order, please. I suggest to the hon. member for Calgary North that that is not a question of privilege but a dispute over facts.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the procedures which have been chosen by the Attorney General (Mr. Basford) for setting up the human rights commission seem indeed strange and extraordinarily complicated. It would have been far wiser, speaking primarily of the hierarchy for dealing with an appeal, to have either a one-man commission or more than one man, since there is provision for at least five members of the commission and at the most eight. Why go to all the trouble of appointing a tribunal? After all, the province of Ontario has had a great deal more experience in human rights codes. In 1971 it amended its human rights code, which was chapter 318 of the revised statutes of the province of Ontario, to provide specifically under new section 14d(1) the following:

● (2220)

> Any party to a hearing before a board may appeal from the decision or order of the board to the Supreme Court in accordance with the rules of court.

In effect, that is all this amendment is saying.

An hon. Member: Hear, hear!

Mr. Lambert (Edmonton West): There should be no tribunal. This is another blessed bureaucracy. According to Section 39, people will be chosen from a panel of prospective members, which will be established and maintained by the governor in council. Mr. Speaker, that is nothing but a panel of fat cats who are going to have the opportunity to be paid a salary to be prescribed by a bylaw of the commission. Why on earth go through the process of a tribunal, if the procedure to the Federal Court is directly from the Immigration Appeal Board, the Tax Review Board, the Canadian Transport Commission or from CRTC? Why have a tribunal set up which is to consist of three on an ad hoc basis from a panel established by the governor in council? Why have a tribunal, and then have to rely upon devious wording in the Federal Court Act at Section 28?

It is a matter of law. We have seen it in many cases, where the federal court has denied its jurisdiction because an appeal purported to be on a matter of fact. In the provincial legislation of the province of Alberta there is parallel right of appeal from the provincial human rights commission to the Supreme Court of that province. In Ontario it is an appeal de novo to a judge of the Supreme Court.

Why have this sort of practice? Why have this complicated procedure where there is some doubt? The hon. member for Calgary North (Mr. Woolliams) is entitled to his legal opinion as much as the Attorney General of Canada is to his. The hon.

member for Calgary North has been more successful in court than the Attorney General of Canada has been. He has the experience of many years before the courts, which is something the Attorney General has not got.

I am fully in accord with the spelling of this legislatlion of the right of appeal, not only on law, not only on mixed law and fact, but also on fact alone. One should not have to wait for some federal court which, according to the Minister of Justice, would have before it an application for leave, and that court, basing itself on the circumstances of the case, might say, "Oh, but this is just an appeal as to facts, and there lies no jurisdiction in this court to review it". Just that one potential case would be sufficient to justify this direct and unambiguous amendment, and I would so urge the House to accept it.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, if we are going to accept this proposed legislation in a serious spirit—and I think all of us in this Chamber are committed to the spirit of the legislation—I think we should do our best to see that it is effective legislation. For this reason I must raise and support the argument of the hon. member for Calgary North (Mr. Woolliams) and reject the argument which has been advanced by the Minister of Justice (Mr. Basford).

As I see his point, the Minister of Justice relies upon Section 28 of the Federal Court Act. That section has had difficulty going in previous court cases, and apparently it is the subject of review as to whether it might be improved by amendment, although the minister has told us that he is not going to guarantee that any amendment will be proposed.

However, given the circumstances, if there is a question about legislation which may not achieve the purpose we want, or legislation which through an amendment, such as the one set out by the hon. member for Calgary North, would at least clearly spell out people's rights, I would say that it would be common sense to pass the amendment. If it adds surplusage to the legislation, at least its intention is in the right direction, and it does set forth something specific which is not otherwise clear at all in the law as it exists in Canada now. For that reason alone I must say that the hon. member for Calgary North has made his case, and the Minister of Justice has let the House down.

Second, I must support the argument of the hon. member for Annapolis Valley (Mr. Nowlan) that it would be helpful to have consistency within the legal operations of Canada.

The Acting Speaker (Mr. Turner): Order, please. It being 10.30 p.m., this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 2(1).

At 10.30 p.m. the House adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Wednesday, June 1, 1977

The House met at 2 p.m.

[*English*]

HOUSE OF COMMONS

INTRODUCTION OF NEW MEMBERS

Mr. Speaker: Hon. members I am sure will be aware that there are a number of successful candidates in recent by-elections who wish to be introduced and take their places in the House of Commons today.

Some hon. Members: Hear, hear!

Mr. Speaker: It is obviously a matter of some priority. Therefore, I feel it appropriate that we move to that at once. I undertake to members that those who have motions pursuant to Standing Order 43 which cannot wait 24 hours will be recognized. I will, of course, protect the proper question period. If the ceremony takes an undue amount of time, there may be some discussion about compensating the party responsible for the motion today, if that is necessary, later in the day. Surely, that is a matter for discussion later on.

* * *

[*Translation*]

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Dennis Dawson, Esquire, member for the electoral district of Louis-Hébert.

* * *

NEW MEMBER INTRODUCED

Dennis Dawson, Esquire, member for the electoral district of Louis-Hébert, introduced by the Right Hon. P. E. Trudeau and the Hon. Marc Lalonde.

* * *

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of J.-Roland Comtois, Esquire, member for the electoral district of Terrebonne.

NEW MEMBER INTRODUCED

J.-Roland Comtois, Esquire, member for the electoral riding of Terrebonne, introduced by the Right Hon. P. E. Trudeau and the Hon. Jean-Pierre Goyer.

● (1410)

[*English*]

Some hon. Members: More!

* * *

[*Translation*]

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Gilles Lamontagne, Esquire, member for the electoral district of Langelier.

* * *

NEW MEMBER INTRODUCED

Gilles Lamontagne, Esquire, member for the electoral district of Langelier, introduced by the Right Hon. P. E. Trudeau and the Hon. André Ouellet.

[*English*]

Some hon. Members: More!

* * *

[*Translation*]

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Raymond Savard, Esquire, member for the electoral district of Verdun.

* * *

NEW MEMBER INTRODUCED

Raymond Savard, Esquire, member for the electoral district of Verdun introduced by the Right Hon. P. E. Trudeau and the Hon. Francis Fox.

[*English*]

Some hon. Members: More!

Bilingualism

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Don Wood, Esquire, member for the electoral district of Malpeque.

* * *

NEW MEMBER INTRODUCED

Don Wood, Esquire, member for the electoral district of Malpeque, introduced by the Right Hon. P. E. Trudeau and Hon. Daniel J. MacDonald.

Some hon. Members: More!

* * *

[*Translation*]

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Gilles Caouette, Esquire, member for the electoral district of Témiscamingue.

* * *

NEW MEMBER INTRODUCED

Gilles Caouette, Esquire, member for the electoral district of Témiscamingue, introduced by Mr. André Fortin and Mr. Gérard Laprise.

ROUTINE PROCEEDINGS

[*English*]

BILINGUALISM

TERMS FOR ESTABLISHING COMMITTEE TO STUDY RIGHTS OF FRANCOPHONES OUTSIDE QUEBEC—MOTION UNDER S.O. 43

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of the announcement of the Prime Minister (Mr. Trudeau) on Tuesday, May 31, setting up an interdepartmental committee to study the rights of French speaking minorities outside Quebec, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That (1) the terms of reference of the interdepartmental committee be tabled in the House; (2) the interdepartmental committee be bipartisan and reflect regional Canadian interests; (3) a similar bipartisan interdepartmental committee be established to study the rights of the English-speaking and other minorities in Quebec.

[Mr. Speaker.]

Mr. Speaker: The provisions of Standing Order 43 require the unanimous consent of the House for presentation for debate of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Alexander: Goodale said no on behalf of the Liberals.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

REQUEST THAT REGIONAL OFFICES BE ESTABLISHED IN TÉMISCAMINGUE—MOTION UNDER S.O. 43

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to make a motion, and I want to draw the attention of all members of the House to the wording and the significance of this motion which, of course, cannot be turned down by those concerned with the well-being of the Canadian people.

Since the Minister of Regional Economic Expansion recently visited my constituency and promised on behalf of the government to open an office of his department in my area, and since most Liberal members from Quebec had the opportunity to visit my constituency and to ascertain its needs as far as both regional development and employment are concerned, I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That the Minister of Regional Economic Expansion (Mr. Lessard) announce immediately in the House when work will begin on this office project, how many jobs will be created and when this office will be operational.

Mr. Speaker: Order, please. Being open-minded under the circumstances, I ask the House whether it will give its unanimous consent to the presentation of such a motion under Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1420)

[*English*]

NATIONAL SECURITY

REQUEST FOR INFORMATION ON ALLEGED TERRORIST TRAINING CAMP IN EAST GERMANY—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of urgent and pressing necessity concerning the possible effects on our national security due to the existence at Finsterwalde, East Germany, of a training camp of 500 to 600 persons for terrorist and guerrilla warfare activities under the direction of Department 5 of the Russian KGB.

I move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That the Prime Minister make a statement outlining all information in the possession of the government, specifically including the number of persons representing Quebec extremist elements in attendance, all action taken or that will be taken by the government on this matter, any information in the possession of the government concerning recruitment of trainees in Canada, and finally, the involvement at any time of a Cuban with the surname of Alonso, sometimes known as Camilo.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House for presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

SUGGESTION PROVISIONS RELATED TO QUEBEC BE REVISED—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion on a pressing and urgent matter.

Considering that the Electoral Boundaries Readjustment Chapter E-2 of the Revised Statutes of Canada 1970, as amended, has proven to be inadequate; that, by its essence, it jeopardizes the minimum representation to which the people of Quebec are entitled within this Parliament; that because of the present situation Quebec must be considered as an entity not proportional but equal to the other Canadian entities; and, finally, that the number of representatives from Quebec has been constantly decreasing, again dropping from 28 to 26 per cent for the next federal general election, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That Parliament order that the said Act not be enforced until new legislation is introduced in this regard.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

Mr. Speaker: Perhaps hon. members will agree that it would be appropriate to continue the question period until ten minutes past four.

Some hon. Members: Until ten minutes past three.

Mr. Speaker: If the House insists, I will stop it at ten minutes past three. I had ten minutes past four in mind.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

INQUIRY WHETHER DEVELOPMENT ASSISTANCE BUDGET ADDITIONAL TO DEBT FORGIVEN

Mr. Douglas Roche (Edmonton-Srathcona): Mr. Speaker, I would like to direct a question to the Prime Minister. At the North-South Conference on International Economic Co-operation concluding now in Paris, Canada announced that it would forgive $254 million in debts owed Canada by developing countries. The net value of this concession is $35 million. Can the Prime Minister state whether this amount represents an addition to Canada's official development assistance represented in the $1.1 billion CIDA budget approved last night by the Standing Committee on External Affairs and National Defence, or is the amount obtained by a bookkeeping transfer within CIDA so that, in effect, no fresh funds are to be expended by Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is in addition. I do not think the hon. member should belittle the gesture. It is true the discounted value to the present is in the amount the hon. member said; but to these countries it does amount to a very substantial remission of a debt which they owe to Canada.

Some hon. Members: Hear, hear!

AMOUNT PLEDGED TO COMMON FUND FOR COMMODITIES

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, we are not belittling the amount. We are trying to obtain the reality of Canada's relationship with the developing nations. The Canadian government statement at the conference said that the government "has pledged our proper share of the financial contributions" to a common fund for commodities, the common fund being the centerpiece of the present North-South negotiations at this time. Can the Prime Minister tell the House how much Canada has pledged to this fund and in what way this appropriation will be represented in parliament?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, no specific amount was discussed at the London summit. As the communiqué says, each country agreed to the establishment of the fund as a matter of principle and the details of it are to be worked out between north-south countries themselves and particularly at the CIEC conference. It is conceivable that when the President of the Privy Council returns he will be able to answer the hon. member more precisely.

PROPOSED PUBLICATION OF INFORMATION ON ECONOMIC RELATIONS WITH DEVELOPING COUNTRIES

Mr. Douglas Roche (Edmonton-Stathcona): A final supplementary question, Mr. Speaker. Perhaps the absence of a specific commitment to the common fund was one reason why the Third World countries expressed disappointment with the

industrialized countries' performance at the conference. This of course reflects the great complexity of the trade, monetary and aid issues in the interdependent world. I therefore want to ask the Prime Minister if he intends to act on the recommendation of the subcommittee on international development that the Canadian government should integrate and publish all the relevant information from the various departments in Canada on our economic relations with developing countries? This itself would be an important step in promoting a worldwide flow of integrated information on relations between the rich and poor countries.

Right Hon P. E. Trudeau (Prime Minister): Mr. Speaker, I will be glad to take this up with my colleague the Secretary of State for External Affairs. It is of course the government's interest and desire to make all the facts known so that the Canadian public and members of parliament may know the extent to which we are assisting the less developed countries. If it is the desire of hon. members opposite to encourage the government to spend more in that regard, we will take this under very serious consideration.

DEBT OF THIRD WORLD COUNTRIES HELD IN PRIVATE HANDS—POSSIBILITY OF CHANGE IN CONDITIONS

Mr. James Gillies (Don Valley): Mr. Speaker, my question is also for the Prime Minister. Of the $9 billion of debt from the Third World countries to Canada, 75 to 80 per cent is held in private hands. I should like to ask the Prime Minister if there was any discussion about lengthening the terms of maturity of private debt or of the possibility of cancellation of the interest on some of the private debt? Was there any discussion concerning the private debt situation, that is, the debt owed by Third World countries to private holders of debts in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there was no discussion of this at the summit conference but if my memory serves me well, there was discussion of this point at the UNCTAD Conference in Nairobi which preceded the summit conference by many months. Of course, this is a matter for very serious consideration by all countries, others more than ours. We took this decision to grant a remission of debt because our proportion was much more highly publicly held than other countries. Of course, other countries may not be able to imitate our gesture, but we hope it will serve as an example.

POSSIBILITY ASSETS IN FOREIGN COUNTRIES GIVEN PROTECTION IN RETURN FOR CANCELLATION OF DEBTS

Mr. James Gillies (Don Valley): A supplementary question. Could the Prime Minister tell the House whether in the course of these discussions there was any *quid pro quo* in relation to the cancellation of the Canadian government debt or the security of Canadian assets in foreign countries? In other words, was there any guarantee or any trade-off that by cancelling this proportion of the public debt in Canada we would have some certainty that our assets in perhaps some volatile countries would be given more protection than otherwise might be the case?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, concern was expressed about this point and some consideration was given to it but my knowledge of the situation and the announcement of the minister in Paris is that there is no *quid pro quo*. It is a generous gesture by Canada and Canadians, if I can put it in that sense. We feel any goodwill which will follow from it is so much the better but it is not conditional.

* * *

NORTHERN AFFAIRS

DRILLING IN BEAUFORT SEA—REQUEST FOR ASSURANCE REGULATIONS STRICTLY ENFORCED

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, this morning the Minister of Indian Affairs and Northern Development issued a press release announcing that the government has authorized offshore drilling in the Beaufort Sea for the next three years. First of all, I want to protest that this is a matter that should have been announced by the minister on motions at which time members would have had an opportunity to interrogate the minister.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): This is an affront to parliament. The note of protest which the United States government sent to the Canadian government on March 15 last pointed out that last year the measures which the operators promised to put into effect to prevent oil spills were not fully implemented nor did they function properly. The United States government went on to criticize the Canadian government for not stopping repeated violations and for taking no steps whatsoever to stop the operation when deficiencies were found. In light of those acts, I want to ask the minister what assurance he can give the House that the measures which will be introduced this year to deal with the danger of oil spills will be any more effective or the regulations any more stringently enforced than they were last year?

● (1430)

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): When I answered questions in the House yesterday I said that I would make an announcement on this matter as soon as some loose ends had been tied up. I was informed this morning that that was done, and to avoid further speculation I thought I would get out the government's statement on this as soon as possible. With respect to the note from the United States, first of all, we do not accept all the allegations that were made in that note last year, but in any case we have had discussions with the United States government, and with respect to compensation and equipment we have tried to meet some of their concerns by introducing much

more stringent conditions, technically, environmentally and in the socio-economic field.

DRILLING IN BEAUFORT SEA—REASON FOR ORDERING DRILLING TO CEASE TWO WEEKS BEFORE END OF SEASON

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I understand that the minister's department, in a memorandum to cabinet, said that "in order to ensure some seasonal well relief capability the drilling must cease half way through the season which, in a normal year, might be 40 days or on September 1". In light of that, I want to ask the minister whether he will explain the statement in his announcement of today in which he said that exploratory drilling will cease two weeks before the forecast closure of the Beaufort Sea operations or on September 25, whichever is earlier. I want to ask the minister why he has chosen this earlier date in view of the fact that this will not leave sufficient time in the case of an oil spill to put in a relief well and the result might well be that oil will be seeping all winter into the Beaufort Sea.

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): The hon. member's information is not correct. First of all, the department does not make recommendations to cabinet—the ministers make recommendations to cabinet. Second, the advice which the department had originally given us was not for a longer period but for a shorter period. It was the ministers who made the period longer.

Mr. Knowles (Winnipeg North Centre): That figures.

REQUEST FOR STATEMENT ON PRESSING ENERGY NEEDS REFERRED TO BY MINISTER

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in his announcement today the minister said that "there are pressing national energy requirements to be weighed against environmental risks and concerns expressed by the Canadian native and environmental groups". I should like to ask the minister what are these pressing national energy requirements in view of the fact that this morning's paper carries a statement by Mr. Sydney Kahanoff, president of the Independent Petroleum Association, in which he says:

We are finding much more new gas than the domestic market can absorb.

What are these pressing energy requirements? They are certainly not for oil because no oil pipeline is envisaged at present and gas was found in southern Alberta in the past few years. The statement made by the president of the Independent Petroleum Association indicates at present the gas industry is talking about seeking permits to export gas, and therefore surely this is not as pressing as the minister would indicate and there is ample time to carry out the type of research that is necessary to ensure that we will not have oil spills in the Beaufort Sea.

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, the best minister to answer the question with respect to our energy requirements would be the Minister of Energy, Mines and Resources. This decision was participated in by several departments including the Department of the Environment, the Department of Energy, Mines and Resources and so on. As the hon. member knows, we have a need to know energy resource policy and the exploration in the Delta is not only for gas but also for oil. Also, it is for the long-term and not for the short-term. Consequently, although there may be new sources of gas that have been discovered recently or that are available, exploration is looking to the long-term, not to the short-term.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

ALLEGED PROMISE OF ASSISTANCE TO SILICATE MINE IN TÉMISCAMINGUE—MINISTER'S POSITION

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

During the last election campaign, the minister met with the officials of the silicate mine at Saint-Bruno-de-Guigues and showed interest in their project. Is he in a position today to announce the grant mentioned at the time to create about thirty jobs?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I must say to the hon. member that a grant was never mentioned at the time. As always, he is distorting the facts. However, I arranged a meeting between these gentlemen and my departmental officials in order that they may explain their program and their project. If it is possible to provide assistance under the act, our department will gladly do so as it has already helped other business concerns in the hon. member's area.

Mr. Caouette (Témiscamingue): Mr. Speaker, I want to put a supplementary question to the Prime Minister.

Does the Prime Minister know that the Minister of Regional Economic Expansion said on television during the election campaign that grants would be forthcoming only if a Liberal candidate was elected? If so, does he agree with the stand taken by his minister?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would ask the hon. member to send me the alleged quotations.

Mr. Caouette (Témiscamingue): With pleasure.

[*English*]

NORTHERN AFFAIRS

DRILLING IN BEAUFORT SEA—RIGHT TO REVOKE PERMIT FOLLOWING ANNUAL REVIEW

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development who is so concerned about loose ends. The only loose end he did not tie up was to ensure that members of parliament in the Confederation Building received copies of his statement. It was only through the courtesy of his parliamentary secretary that those of us in that building saw it at 1.45 p.m. In view of the fact that the statement raises more questions than it answers, I share the concern of the spokesman for the NDP and deplore the fact that the minister refuses to make a statement on motions.

Some hon. Members: Hear, hear!

Mr. Jarvis: In view of the fact that the statement indicates that it is an authorization for three years subject to annual review, will the minister tell us whether it is a three year drilling permission or is it a one year drilling permission on the basis that the annual review would give to the government a unilateral right to revoke the drilling permit? In other words, if there is going to be a review each year, does the government have the right to unilaterally revoke the drilling permit for the subsequent year on the basis of the results of that annual review?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, in the first place I must apologize to the hon. member if he did not receive the statement until the hour he indicated. I gave instructions earlier this morning that it be distributed.

With respect to his principal question, we have given a three year authorization, subject to an annual review which will be a complete review by a committee in touch with the communities, which will study the technical, environmental and socio-economic conditions. If those are not lived up to completely, the government has the right to cancel the permit unilaterally. In addition to that, if we find, during the monitoring and surveillance program that we have introduced, that there is any discrepancy between the compliance and the conditions, we can order the immediate suspension of drilling at any time.

DRILLING IN BEAUFORT SEA—POSSIBILITY OF RECIPROCAL AGREEMENT WITH UNITED STATES ON COMPENSATION FOR DAMAGE

Mr. Bill Jarvis (Perth-Wilmot): The last sentence of the press statement says that a further joint contingency plan has been agreed upon with the United States. Will the terms of that plan be tabled today, and does the plan include such matters as the $10 million liability bond, the proceeds of which can be used to compensate U.S. owners for environmental damage? Is the plan of a reciprocal nature so that if Canadians suffer environmental damage along the British Columbia coast from spills resulting from U.S. tankers they will be compensated from a similar bond filed by U.S. tanker owners? In other words, we have been talking about a reciprocal agreement with the United States. Is this the one referred to in the statement, and is it a two way street so that Canadian owners can be compensated for environmental damage caused by U.S. tankers as well as U.S. tankers compensated for oil spills in the Beaufort Sea?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): The contingency plan does deal with compensation but it was negotiated by the Department of External Affairs. Perhaps my colleague could provide us with more information on that point. Off hand, I do not recall whether it is reciprocal.

* * *

● (1440)

EXTERNAL AFFAIRS

REQUEST FOR TABLING AGREEMENT WITH UNITED STATES ON COMPENSATION FOR DAMAGE FROM OIL SPILLS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my supplementary question is to the Secretary of State for External Affairs. In view of the fact that the press release from the Department of Indian Affairs and Northern Development indicates that a contingency plan with respect to the Beaufort has been agreed upon with the United States, will the details or will the agreement itself be tabled today, and if not, will the minister take this opportunity to indicate to the House the general nature of the agreement, particularly as it pertains to compensation to owners who have suffered environmental damage? Are Canadian owners to be compensated as well as American owners?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, on such a matter rather than trying to answer orally and perhaps leaving the wrong impression, I should say to the hon. member that a note was delivered to the United States State Department today. To the best of my knowledge there is no reason why it should not be made public. If the hon. member will bear with me, I will make some inquiries and make it available to him tomorrow, if that is possible.

* * *

THE CANADIAN ECONOMY

MEASURES TO STIMULATE PRODUCTIVITY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. As the index of real domestic product, which measures industrial activity in Canada, has remained stationary since the first of the year, clearly indicating the stagnation which exists in our economy, would the Prime Minister take the first opportunity on motions

to outline to the House what steps he and his government intend to take to correct this situation and to get the economy moving so that we can provide the jobs our people need?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member may recall that the Minister of Finance in his budget speech and in the budget debate indicated that there were serious problems with the Canadian economy, and he indicated in the rest of his budget statement what the government was doing about it.

Mr. Hees: As the budget is one of the factors which is contributing seriously to the stagnation and stagflation which has been taking place in this country, is that the best answer the Prime Minister can think up to deal with a very important question affecting the future of this country?

* * *

SMALL BUSINESS

MEASURES TO STIMULATE TO PROVIDE EMPLOYMENT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is to the Minister of State (Small Business). In light of the dismal unemployment forecast and because the small business community probably has the largest economic potential and the most employment opportunities of any other sector in our economy, could the minister advise the House what steps, if any, he has taken to utilize this potential regarding the unemployed?

Hon. Len Marchand (Minister of State (Small Business)): Mr. Speaker, I will be making further announcements in the paper which I will be presenting to the cabinet.

Mr. Alexander: Do it in the House.

Mr. Marchand: I will probably do it in the House as well. In any event, hon. members will know what I present to the cabinet after it is presented. I should point out also that a number of measures relating to small business were taken in the recent budget, and by and large these are long-term measures. We know full well—and the Minister of Finance and others have said this on many occasions—that we want the jobs created in the business community and particularly in the small business community.

Some hon. Members: Hear, hear!

Mr. Jelinek: Mr. Speaker, since the appointment of this minister not one positive step has been taken.

Some hon. Members: Oh, oh!

Mr. Jelinek: Earlier this week during my party's opposition day on small business we enunciated in detail a policy proposal consisting of the creation of a small business act which, based on a specific definition of small business, would commit the government to creating jobs for the economy. I would like to ask the minister whether he would advise this House, in view of the absence of a government small business policy, whether he would consider implementing some of the proposals as outlined by my party, and if not, would he tell us why not?

Mr. Speaker: Order, please. Surely that was a matter for debate when the motion was before the House.

* * *

MANPOWER

UNEMPLOYMENT FORECAST FOR NEWFOUNDLAND—CONSULTATIONS WITH PROVINCE ON MEASURES TO PROVIDE EMPLOYMENT

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would like to direct a question to the Minister of Manpower and Immigration. In view of the unemployment projections of the Department of Manpower and Immigration which were referred to in the House yesterday, which in the case of the province of Newfoundland are alarming, which show an annual unemployment rate for the last fiscal year of 14.4 per cent and which project a 17.4 per cent rate for fiscal 1978-79, by far the highest rate of any province, six percentage points over the next highest province, Prince Edward Island, I would like to ask the minister if he is prepared to look upon this as an emergency situation in the case of this province and accordingly to initiate discussions immediately with the premier of Newfoundland to see what programs, additional to existing make-work programs under Canada Works, can be worked out to try to meet or offset these very serious and quite dangerous projections?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, with a casual wave of his hand the hon. member suggested that there should be something new or in addition to what we already have. I would like to point out that on institutional and industrial training for 1977-78 we are spending $15.4 million. This involves some 6,400 workers. Under LIP the allocation for 1976-77 was $17.8 million, which resulted in the creation of some 4,700 jobs; $11.4 million is being allocated in the first phase of the Canada Works Program, and $2.4 million is to be allocated to Young Canada Works. There will be a further allocation of Canada Works funds later in the year, so we are not unaware of the situation, and as far as my own department is concerned we are doing a yeoman's service in that region.

Mr. McGrath: Mr. Speaker, given the present quite disastrous situation prevailing in Newfoundland, with an unemployment rate which is near 25 per cent in actual unadjusted terms, and notwithstanding the scope and, indeed, the commendable objectives of the present make-work programs and the relatively little impact they are having on the unemployment situation, my question to the minister is a plea: will he co-ordinate the activities of the government of Canada and enter into negotiations with the government of Newfoundland with a view to having the government of Newfoundland co-ordinate its activities to come up with some immediate crash

program to offset this tragic loss of productivity and human loss in real terms which these figures mean.

Mr. Speaker: Order, please. The hon. member himself said his question was a plea rather than a question.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

POSSIBILITY OF ASSISTING MATANE TELEVISION STATION

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my question is directed to the Secretary of State.

In view of the fact that the CBC decision to purchase private station CJBR-TV of Rimouski should in no way hinder the expansion of its Matane station and its extension to the Gaspé peninsula, could the Secretary of State ask the CBC to provide more funds to its Matane station so that it may cover important events, such as the conference given by the Minister of Communications (Mrs. Sauvé) at the Gaspé Board of Trade last week, with a better camera than a Polaroid?

[*English*]

Hon. John Roberts (Secretary of State): Mr. Speaker, the whole question of what arrangements are to be made in relation to Rimouski and Matane is still under consideration.

* * *

TRANSPORT

FAILURE OF OWNERS OF THE "LOWELL THOMAS EXPLORER" TO PAY WAGES TO CREW—GOVERNMENT ACTION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the Minister of Transport. Has the minister's attention been brought to the situation in Montreal in which the ship, the *Lowell Thomas Explorer*, which is carrying cargo between Canadian ports on the seaway, which is registered under Philippine registry and which is operated by Philippine seamen, is tied up in that city by a court order because the company has failed to pay its crew members their wages for February and March, despite the fact that the company—and Canada—is a signatory to the ITF wage agreement? If the minister is aware of this, what does his department intend to do about it?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the matter was brought to my attention, and I asked that it be looked into to see if there is any action I should be taking.

Mr. Orlikow: Would the minister look into the charge that the company is applying pressure on its employees to drop their claims and threatening to repatriate them and to bring in a new crew from the Philippines?

Mr. Lang: Yes, Mr. Speaker.

HEALTH

APPLICATION OF RED CROSS TO SET UP BLOOD FRACTIONATION PLANT—GOVERNMENT POSITION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of National Health and Welfare. Can the minister tell the House whether at the federal-provincial meeting of deputy ministers last week a decision was made with regard to the application of the Red Cross to set up a blood fractionation plant?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the federal-provincial conference of deputy ministers never makes decisions. It is only authorized to make recommendations to the ministers who will be called upon to make a decision at the end of June.

* * *

[*English*]

NATIONAL DEFENCE

LACK OF NAVAL ARCHITECTS—GOVERNMENT ACTION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of National Defence. Last evening Admiral Falls informed the Standing Committee on External Affairs and National Defence that the navy no longer has the capacity to produce the designs for the next generation of Canadian warships since naval architects were let go due to cutbacks in defence spending. Will the minister assure the House that the $75 million worth of design work for new ships will go to Canadian naval architects and, in view of the current manpower shortage in maritime command, will the minister increase the over-all strength of maritime command. If so, to what levels?

• (1450)

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, I believe two questions were asked with respect to design capacity. We believe it exists in the private sector. It was formerly "in house", but now exists almost totally in the private sector. That design capacity will be used wherever possible. The hon. member also asked a question about maritime command. We have an indicated need for additional manpower in that area, particularly in the high seas trades, and I am considering this question seriously at present.

* * *

MANPOWER

REASON FOR REFUSAL TO PUBLISH FORECASTS OF UNEMPLOYMENT LEVELS IN PROVINCES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I direct a question to the Minister of Manpower and Immigration regarding his intended cover up policy which shows a complete disregard for the rights and interests of the prov-

inces. Talking about projections and trends compiled by his department, he said yesterday that he did not intend to make it a practice to publish these figures in future, either for Quebec or the other provinces. That statement is completely unacceptable. I ask, why should the provinces not have access to this information since, after all, taxpayer dollars were used to compile it. Will the minister say why his counterparts in the provinces, particularly the six provinces in which the survey indicates the existence of a problem, should not have that information?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, the kind of information the provinces want in this area, information on projections and forecasts, is available from at least 12 other agencies operating in Canada; the provinces are in the same position as we are to choosc, and to decide how much weight to give any particular piece of information. We have discovered from time to time that some projections are right, some are wrong; some are way off base, and some dead on. We have our own priorities in this regard. The provinces have their own departments. They exercise their own intelligence and draw their own conclusions.

Mr. Alexander: A supplementary question, Mr. Speaker. The minister did not answer my question. I am not interested in those other 12 agencies. I am interested in the projections and trends the federal government compiled. Does the minister not know that when he covers up this information he hinders planning for social assistance? Will the minister not change his mind and share this information with his counterparts?

* * *

[*Translation*]

HISTORIC SITES

DATE WHEN GOVERNMENT WILL IMPROVE POINTE-AU-PÈRE LIGHTHOUSE

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the hon. Minister of Public Works.

Since the old Pointe-au-Père lighthouse is a tourist attraction in eastern Quebec which has been classified as an historic site as of last week, and since the lighthouse's caretaker had been instructed last year not to admit any more visitors because of the dangerous conditions existing at the entrance, can the minister tell us whether his department intends to open the lighthouse to the public in the near future, and if so, when does he think that repairs will be carried out?

[*English*]

Hon. Judd Buchanan (Minister of Public Works): Mr. Speaker, I will be happy to look into the matter. I am not familiar with the situation at the lighthouse. If we have a responsibility, I will look into it and see what can be done.

[*Translation*]

AGRICULTURE

POSSIBILITY OF ESTABLISHING CHICKEN MARKETING BOARD

Mr. Pierre Bussières (Portneuf): Mr. Speaker, my question is for the Minister of Agriculture.

In view of the representations made by the Quebec Farmers' Union, the Quebec Poultry Producers' Federation and other Canadian poultry producers, asking that a chicken marketing board be established, could the Minister of Agriculture inform us of his intentions or the government's regarding the possible establishment of such a marketing board?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I cannot add much to what I said yesterday. We have been discussing this question in cabinet very seriously.

* * *

IMMIGRATION

EFFECT OF PROPOSED AGREEMENT WITH PROVINCES ON SELECTION OF IMMIGRANTS

Mr. Jake Epp (Provencher): Mr. Speaker, my question for the Minister of Manpower and Immigration concerns the sharing of immigration powers between the federal government and the province of Quebec. The minister, in his reply of May 30 as reported on page 6043 of *Hansard,* indicated that agreement had been reached on the establishment of a joint working group to look at the options for future immigration and sharing of powers. Will that joint working group study an option providing for equal sharing of power, or what the minister prefers to call codetermination of immigration powers as between the federal and provincial governments in the selection of immigrants? If that option is accepted, would it not give veto power to any given province, in this case Quebec? I say this since section 95 of the BNA Act still gives the federal government a primary responsibility in immigration.

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, I preface my answer by saying we were operating under the aegis of section 95, from which the authority stems. Therefore there is no suggestion of a veto. There would be codetermination possibility with regard to a points system, or with regard possibly to a sponsorship program, or any other similar ideas which could be engendered in that particular meeting; they could emanate from ourselves or Mr. Couture's department. Recognizing the spirit of section 95, we are trying to do what is in the best interests of Canada and Quebec. We have a common interest with Quebec to increase Francophone immigration where we can.

Mr. Epp: A supplementary question, Mr. Speaker. When the minister answered the right hon. member for Prince Albert, was he answering in the spirit of section 95, to which he referred just now. I point out that, although that spirit exists, the federal government still retains primary responsibil-

ity. I am concerned in case one province acquires rights or powers which other provinces do not share. This could lead to the Balkanization of Canada. I ask the minister to assure the House that, no matter what is agreed to, the same immigration rules will apply in all provinces of this country.

Mr. Cullen: Mr. Speaker, precisely because we do not want to see this country Balkanized, we used the phrase "the common denominator." We are operating under section 95, which gives the primary role to the federal government. Too often in the past, in setting up a points system, we have operated as though we are a unitary state. We have done this in determining which immigrants should and should not be allowed to enter this country. Some of the provinces feel they should have more say, and that is what we are attempting to do. We have distinct and unique arrangements already with Quebec under the Bienvenue-Andras agreement, and it has not led to any Balkanization of Canada. Actually, it has been an asset to Quebec, because it has increased Francophone immigration to that province.

* * *

SMALL BUSINESS

RESULTS OF MINISTER'S TRIP TO COMMUNIST COUNTRIES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct my question to the Minister of State responsible for small business. I was much interested in his observation a few moments ago and his declaration that private business, small business, is most important. I ask him, what were the circumstances under which he took his recent—I do not know what to call it—safari into communist countries, the U.S.S.R. and one or two other communist countries? Did he get any ideas over there from communist leaders as to what might be done in Canada to encourage the private business, which no longer exists in communist countries?

Hon. Len Marchand (Minister of State (Small Business)): Mr. Speaker, I regret having to answer that question asked by the right hon. gentleman, whom I respect greatly; indeed, I think all of us here respect him greatly. I am a little tired of hearing innuendos from the other side about my having gone to visit communist countries.

Some hon. Members: Hear, hear!

Mr. Marchand: It is ridiculous. I went there on a trade mission. I think hon. members opposite know full well I went on a trade mission. It happened to be a very successful trade mission.

Some hon. Members: Hear, hear!

Mr. Marchand: Mr. Speaker, my skin might be red; that has nothing to do with my political philosophy.

[Mr. Epp.]

Mr. Diefenbaker: Mr. Speaker, I was interested in that reply. I asked a simple question. I did not think there was any innuendo.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Listen to those leftists.

Some hon. Members: Oh, oh!

• (1500)

Mr. Diefenbaker: Mr. Speaker, there are more leftists over there than can be found anywhere else in Canada. I asked a simple question. Did he get any ideas from those "Commies" over there as to how he might be able to encourage the attainment of that objective he has in mind of the preservation of small business in Canada? Did he get any ideas? There was no innuendo there.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Essentially that is a repetition of the previous question.

* * *

EXTERNAL AFFAIRS

RAID BY RHODESIA INTO MOZAMBIQUE—GOVERNMENT ACTION TO AID IN PROHIBITING

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to address my question to the Secretary of State for External Affairs. I am sorry I did not give him notice, but the subject matter is one with which he will be very familiar. The Secretary General of the United Nations has referred to the Rhodesian raid 60 miles into Mozambique, a neighbouring country, as a blatant disregard for the principles of the United Nations charter. The foreign secretary of the United Kingdom has told the Secretary General of the United Nations that steps are to be taken by the United Kingdom to secure the end of these aggressive acts. Will the minister advise whether the Canadian government will consult with the Secretary General of the United Nations and the United Kingdom Foreign Secretary to see what steps Canada can fit into to discourage these actions which endanger the peace of the world?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, the answer is obviously yes. In addition, I may say that I share, as does the government, the views expressed by Mr. Waldheim and Dr. Owen in the United Kingdom. It is to be very much regretted that the Rhodesians have undertaken this sortie into Mozambique. We are now examining the most appropriate and effective ways in which the Canadian views can be made known. I have no doubt that our permanent mission in New York will be discussing this in the United Nations context. I will, of course, be in communication with Dr. Owen, the Foreign Secretary of the United Kingdom, to discuss the same question as to the appropriate steps for Canada to take.

GRAIN

MEETING OF WHEAT COUNCIL IN EUROPE—CANADIAN PROPOSALS FOR INTERNATIONAL WHEAT AGREEMENT

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is either for the Minister of Agriculture or the minister responsible for the Canadian Wheat Board. I am not sure who will be responsible for answering the question. It has to do with the upcoming wheat council talks in Europe at the end of June. Will Canada be in a position to make any substantive proposals regarding the international wheat agreement and the proposed agreement at this upcoming meeting at the end of June?

Hon. Otto E. Lang (Minister of Transport): Yes, Mr. Speaker. It is our intention to put forward some positive proposals. The work that has been going on with the exporting countries has been primarily directed toward this end.

CONSULTATIONS WITH FARM ORGANIZATION ON PROPOSALS FOR INTERNATIONAL WHEAT AGREEMENT

Mr. Jack Murta (Lisgar): Mr. Speaker, my supplementary to the minister responsible for the wheat board is really a two-pronged question. First, will the House of Commons have an opportunity to debate or discuss the proposals the government intends to put forward? Second, has the minister met with various farm groups and farm organizations connected with the growing and selling of cereal grain in western Canada to get their complete assurance and consultation with regard to the moves he is now proposing?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there has been a broad series of discussions over time on the kinds of principles which must be involved, but not actually in connection with the drawing up of tentative proposals. I do not foresee a debate in the House in connection with the material being put forward at this time because it is very much exploratory in its nature. However, I would be happy to discuss the matter with members of the House, in the agriculture committee in particular, at a later date to look at the matter as it goes forward.

* * *

INDUSTRY

TELEVISION—GOVERNMENT ACTION TO STEM DECLINE IN INDUSTRY

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, the Minister of Finance, the Minister of Industry, Trade and Commerce and the Prime Minister were all here earlier but have left. I will pose my question to any member of the ministry who is still here. In view of the fact that the 1976 annual report of Electrohome Limited, which is Canada's major home entertainment, electronics equipment and furniture manufacturer, showed that the company sustained an $8 million loss in 1976 and in light of the fact that the number of production employees in the electronics division declined from 1,200 in 1974 to 150 at the present time, what action if any does the government propose to take to stem the decline in Canada's television industry? On May 18, as recorded at page 5819 of *Hansard*, the Parliamentary Secretary to the Minister of Finance made the statement, and I quote:

> If they will make television sets for low prices in Asian countries, why cannot we have the benefit of those television sets, provided we can do something in return, provided Canadians can find jobs worth $6, $7 or $8 an hour;

Does that indicate that the government has given up on maintaining an electronics industry in Canada?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I will see that the question is brought to the immediate attention of the Minister of Industry, Trade and Commerce.

* * *

AGRICULTURE

REQUEST FOR ACTION TO STOP DISPOSAL OF BREEDING EWES AS RESULT OF DROUGHT

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is to the Minister of Agriculture. In view of the fact there are still pockets of drought in western Canada, will the minister have one of his own staff immediately look into the situation at Pincher Creek, Alberta, to try to stop the many flocks of breeding ewes from being disposed of due to the drought?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we received a representation about the conditions in that area. I understand that some of my officials, together with the provincial officials, are now investigating that.

* * *

INCOME TAX

DISCUSSIONS ON TREATY WITH UNITED STATES—POSSIBILITY OF CHANGE IN UNITED STATES' PROVISION FOR CONVENTIONS

Hon. Martin O'Connell (Scarborough East): Mr. Speaker, I have a question for the Minister of National Revenue. Will she tell the House whether in the discussions leading up to a new tax treaty between Canada and the United States the recent changes in the tax laws regarding tax deductibility for conventions held outside the United States were discussed? If not, before signing such a tax treaty between our two countries, will she consider the tax deductibility question with a view to equalizing tax treatment in both countries as recent United States moves have had immediate and adverse, although quite unintended, effects by way of the cancellation of conventions in Canada.

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, I thank my colleague for the question. It states the problem very well. I believe the result was unintended by our neighbour to the south. However, I do not want to be a prisoner by attempting to settle that particular question before

signing any agreement of reciprocity between Canada and the United States. I can assure hon. members who have made strong representations with regard to tourist losses incurred as a result of current measures that I will make strong representation to my counterpart in the United States.

Mr. McGrath: Mr. Speaker, I rise on a point of order. I hesitate to take up the time of the House, but I do so because of the seriousness and the importance of the supplementary question to the Minister of Manpower and Immigration which Your Honour ruled out of order. I used the word "plea" not inadvertently; I used it to underline the importance and the urgency of the question.

I am not in any way challenging Your Honour's ruling. However, I would, with respect, like to point out to the Chair that it is possible that Your Honour, in picking on the word "plea", missed the very important interrogatory part of my question. It had to do with a suggestion to the Minister of Manpower and Immigration, who I am sorry is not listening, asking if he was prepared to play a co-ordinating role in so far as federal government plans are concerned, with a view to maximizing the job-creating potential of these federal plans in the province of Newfoundland.

● (1510)

In other words, in addition to playing this co-ordinating role, whether he would enter into immediate discussions with the government of Newfoundland to ensure that there is co-ordination between the two levels of government; because I would point out to the House, with respect, Mr. Speaker, that we have arrived at a point in time at which this is a critical situation and one which calls for a critical and serious response. I know that the minister wanted to make a response, and I would ask Your Honour, with great respect, if you would permit him to reply to that question.

Mr. Speaker: It is often difficult to distinguish between a representation and a question, particularly when there is a combination of both elements. I may have ruled precipitously in this case. Perhaps I was influenced by the fact that the hon. member himself described it as being more of a plea than a question. However, if I missed the question, perhaps the minister could make a brief comment, should that be agreeable to him.

Mr. Cullen: As the hon. member knows, I share his concern for the unemployed in Newfoundland and I did try to catalogue some of the things that were done. In the case of the linerboard factory there was a splendid joint effort. Unfortunately, it had to take place after the industry had closed down. But we are doing what we can in that area for the unemployed.

Similarly, community employment strategies have been devised. Under the new bill we will have a director-general specifically responsible for the province from which the hon. member comes, and I expect that our people will be co-operating very closely with officials and elected representatives in that province. As to co-ordination, I think this is already taking place. We are working hard to make sure there is no overlapping, and even in connection with Canada Works projects and Young Canada Works projects we are asking the provinces to make their input so as to avoid duplication of effort.

If the bill which is presently before the committee, C-27, is passed, I expect it will be possible to free up some money there for the training program called for by the province of Newfoundland and that some of this money will also be available to the area of Cape Breton, in which case we might be able to provide a little more assistance. Anyway, we are, in fact, co-ordinating our efforts. Maybe improvements could be made and, if so, I shall be happy to consider the matter.

Mr. Yewchuk: Mr. Speaker, I rise on a point of order to indicate my displeasure at having been interrupted prematurely in the line of questioning I wanted to pursue with the Minister of National Health and Welfare dealing with a very important aspect of Canadian life, namely, the future of Canada's biologic industry. I was able to put only one question by way of a preliminary. The key questions were to follow, and unfortunately, because of some unacceptable happenings from my point of view, I was interrupted after the first question, one which in itself was perhaps meaningless.

Mr. Speaker: I can only recall that at the end of the hon. member's first question I looked at his colleagues and saw that they were standing, while he was not. The only reason I would ever interrupt after the first question was that the hon. member was not on his feet, while his colleagues were.

Mr. Penner: Mr. Speaker, I rise very briefly on a question of privilege. During the question period the hon. member for Perth-Wilmot mentioned to the House that he had not received his copy of an announcement by the Minister of Indian Affairs and Northern Development as early as did other members of parliament. This is very regrettable and my question of privilege is related to this difficulty.

I am advised that there is in the House of Commons a central distribution system. Officials from the department brought copies for all members of the House to the central system which is in this building, and they were to be distributed from here to the other post offices which serve members of parliament. It is understandable that there might be some slight delay in getting those copies to the other buildings, but it does seem to me there is a question of privilege affecting all members if the difference in time is so great as to cause inconvenience.

All members should be treated as equally as possible and if, in the distribution of important information, some members find themselves at a disadvantage or are in some way inconvenienced, I believe their privileges have been violated. I would, therefore, ask whether it would be possible for Your Honour to inquire whether there might be a problem in this regard and, if so, whether steps could be taken to rectify it.

Mr. Speaker: It goes without saying that since the administration of the House is ultimately my responsibility, I shall ascertain whether or not these copies were delivered without undue delay; and if delivery through our distribution system was in fact in any way unduly delayed, I shall certainly report back to the House on the matter.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

TABLING OF INTERNATIONAL AGREEMENTS

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I should like to table, in English and in French, a number of international agreements affecting Canada which have entered into force during the last 12 months.

* * *

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

REPRESENTATION AND ELECTORAL DISTRICTS READJUSTMENT ACT (QUEBEC)

Mr. Armand Caouette (Villeneuve) moved for leave to introduce Bill C-421 entitled: "An Act to readjust the representation of Quebec in the House of Commons and to readjust the electoral districts in Quebec.

Some hon. Members: Explain.

Mr. Caouette (Villeneuve): Mr. Speaker, I decided to introduce this bill readjusting the representation of Quebec in the House of Commons first and foremost because the draft representation order prepared under the Electoral Boundaries Readjustment Act is based on the 1971 census conducted before the James Bay development added over 10,000 workers to north-west Quebec.

Mr. Speaker, my amendment is only meant to take into account this large increase in the population, so that north-west Quebec will be represented in keeping with today's reality.

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

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1543, 1746, 1812, 1890, 1979, 2022, 2025, 2163, 2189, 2204, 2207, 2218, 2302, 2321, 2355 and 2467.

[*Text*]

AUDITOR GENERAL OFFICE—EMPLOYEES OBTAINED THROUGH PRIVATE AGENCIES

Question No. 1,543—**Mr. McKenzie:**

1. Has the Auditor-General's Office obtained (a) part-time (b) full-time employees from private employment agencies in (i) British Columbia (ii) Alberta (iii) Saskatchewan (iv) Manitoba (v) Ontario (vi) Quebec (vii) New Brunswick (viii) Nova Scotia (ix) Prince Edward Island (x) Newfoundland and, if so, in each case, how many?

2. Are such employees paid from supplementary estimates and, if not, from what estimates are they paid?

3. By province, what was the (a) average hourly rate paid to employment agencies (b) average hourly rate paid to employees (c) total amount paid by the Office in (i) 1975 (ii) 1976?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): 1. The office of the Auditor General obtained part-time employees from private employment agencies during the fiscal year 1975-76. No full-time employees were obtained. Details are as follows:

	Province	Part-time Employees
(i)	British Columbia	1
(ii)	Alberta	5
(iii)	Saskatchewan	—
(iv)	Manitoba	—
(v)	Ontario	58
(vi)	Quebec	3
(vii)	New Brunswick	—
(viii)	Nova Scotia	1
(ix)	Prince Edward Island	—
(x)	Newfoundland	—
	Total	68

2. Private employment agencies were paid from funds provided in Main Estimates.

3. Comparative average rates and amounts paid by the Office of the Auditor General are as follows:

Province	(a)Average hourly rate paid to employment agencies, fiscal year ended March 31 (i) 1975	(ii) 1976	(b)Average hourly paid to employees fiscal year ended March 31 (i) 1975	(ii) 1976	(c)Total amount paid by Office, fiscal year ended March 31 (i) 1975	(ii) 1976
British Columbia	$4.69	$7.21			$ 1,178.08	$ 753.90
Alberta	Nil	5.79	*Information		Nil	901.14
Ontario	4.87	5.77			9,760.53	18,548.98
Quebec	Nil	5.87	not		Nil	2,645.25
Nova Scotia	Nil	5.00			Nil	112.50
Other Provinces	Nil	Nil	available		Nil	Nil
Total					$10,938.61	$22,961.77

*Information on average hourly rates paid to employees by agencies is not generally provided by the employment agencies.

Order Paper Questions

VILLENEUVE AIRPORT, ALBERTA

Question No. 1,746—**Mr. Schellenberger:**

1. Does the Department of Transport plan to complete its two runway development plan for the Villeneuve Airport in Alberta and, if so, on what date?

2. Will the basic amenities for the Airport be completed at the same time as the two runway development plan?

3. What is the schedule of user fees to be collected at the Airport?

Hon. Otto E. Lang (Minister of Transport): 1. The second runway for Villeneuve is planned for the 1978/79 construction season.

2. Basic amenities for this airport are expected to be installed by approximately October 1, 1977. This will include water, sewer and gas. The necessary power is available at this time. A telephone is located in the tower and the airport manager's office and the capability exists to provide telephone service to all areas as required.

3. Villeneuve Airport Rental Rates: Effective immediately—All areas .01c. PSFPA (Per square foot per annum); Effective October 1, 1977—if no water and sewer, T—hangar lots— .03c. PSFPA, Commercial Development lots—.02c. PSFPA, Flying Club and Maintenance Hangars—.03c. PSFPA; Effective October 1, 1977—if water and sewer installed, Commercial Development lots—.03c. PSFPA, Flying Clubs and Maintenance Hangars—.04c. PSFPA, T—Hangar lots remain at .03c. PSFPA as they are unaffected by water and sewer. Rental rates will be reviewed January 1, 1980.

TRANSPORTATION SERVICES THROUGH AND TO NEWFOUNDLAND

Question No. 1,812—**Mr. Crosbie:**

1. Is there an obligation on the government under the terms of union entered into between Newfoundland and Canada providing for the entry of Newfoundland into Confederation in 1949 to provide transportation services by rail through Newfoundland and by sea between Newfoundland and North Sydney and, if so, what is the nature of the obligation?

2. Did CNR apply to the Canadian Transport Commission in September 1967 for leave to discontinue passenger train service between St. John's and Port-aux-Basques and to substitute a bus service between the same points on the Trans-Canada Highway and, if so, was the application approved subject to certain conditions including that the bus service "be inaugurated and continued as long as the requirement for passenger service continues"?

3. Does the government consider CNR obligated to provide the bus passenger service forever unless a rail passenger service was again substituted and, if not, what does the government or CNR consider its obligation to be?

4. Does the government consider that bus passenger fares must not exceed rail fare levels in comparable circumstances?

[Mr. Kaplan.]

Hon. Otto E. Lang (Minister of Transport): 1. Under the British North America Act 1949 and in the Act to approve the Terms of Union of Newfoundland with Canada, the following obligations are contained with specific reference to transportation services and facilities. "31. At the date of Union, or as soon thereafter as practicable, Canada will take over the following services and will as from the date of Union relieve the Province of Newfoundland of the public costs incurred in respect of each service taken, namely, (a) the Newfoundland Railway, including steamship and other marine services. 32. (1) Canada will maintain in accordance with the traffic offering a freight and passenger steamship service between North Sydney and Port aux Basques, which, on completion of a motor highway between Corner Brook and Port aux Basques, will include suitable provision for the carriage of motor vehicles. (2) For the purpose of railway rate regulation the Island of Newfoundland will be included in the Maritime region of Canada, and through-traffic moving between North Sydney and Port aux Basques will be treated as all-rail traffic. 32. (3) All legislation of the Parliament of Canada providing for special rates on traffic moving within, into, or out of, the Maritime region will, as far as appropriate, be made applicable to the Island of Newfoundland. 33. The following public works and property of Newfoundland shall become the property of Canada when the service concerned is taken over by Canada, subject to any trusts existing in respect thereof, and to any interest other than that of Newfoundland in the same, namely, (a) the Newfoundland Railway, including rights-of-way, wharves, drydocks, and other real property, rolling stock, equipment, ships and other personal property".

2. The application was approved subject to certain conditions (see answer to part 3).

3. As part of the Terms of Union of Newfoundland with Canada, the Canadian Government was given the assets of the Newfoundland Railway and agreed to accept the public costs incurred in respect of each service taken over. Since that time, it has been the Government of Canada's position, as enunciated in Pamphlet 14, Canadian Transport Commission, judgments, orders, regulations and rulings, "that public passenger transport should be provided (by the Canadian Government) so long as there is a substantial demand for such service. Canadian National's obligation to provide service in Newfoundland is detailed in Order-in-Council P.C. 1454 passed in 1949. In part, this Order-in-Council reads "they (Canadian National) are hereby entrusted in respect of management and operation thereof to the Company on the terms in the Canadian National Railway's Act expressly specified, namely, that such management and operation shall continue during the pleasure of the Governor-in-Council". Presently, Canadian National is providing certain bus service in Newfoundland as a condition imposed upon them by the Canadian Transport Commission when Canadian National was given approval to abandon certain rail services in the Province. The requirement that the bus service "be inaugurated and continued as long as the requirement for passenger service continues" was contained

in the original Order No. R-2673. This Order was rescinded by Order No. R-5185 and this condition is not contained in this latter Order.

4. The government does not have a specific policy on the relationship between bus and rail fares. Where Part III of the National Transportation Act applies, the operator of a motor vehicle undertaking must file a tariff with the Canadian Transport Commission. The Commission may disallow any tariff of tolls considered to be not compensatory and not justified by the public interest or considered to unduly take advantage of a monopoly.

TRAINING IN CONSTRUCTION INDUSTRY TRADES—NORTHWEST TERRITORIES

Question No. 1,890—**Mr. Herbert:**

1. What programmes exist for the training of persons in the Northwest Territories in construction industry trades?

2. How many have (a) started courses (b) sucessfully completed courses in each of the past five years?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Indian and Northern Affairs is concerned: 1. The Hire North Project is a special programme of the Government of the Northwest Territories which is funded by the Department of Indian Affairs and Northern Development and was established to provide training and employment opportunities on the Mackenzie Highway construction project for the indigenous people of the area. When first developed in 1972, Hire North's prime function was to undertake clearing work for the Mackenzie Highway. In the spring of 1973, the concept of Hire North was expanded to include a secondary function—an operational program aimed at training native northerners on heavy duty construction equipment for subsequent employment with contractors constructing the Mackenzie highway and other related employment.

2. (a) Figures are not available on the number of people who started training. (b) 1973-74: Approximately 30 personnel were trained to various levels of competence on road construction equipment. 1974-75: Approximately 15 operators were trained. 1975-76: An additional 30 operators were trained. 1976-77: Approximately 55 personnel were trained as heavy equipment operators.

In so far as the Department of Manpower and Immigration is concerned: 1. Training of persons in the construction industry trades in the Northwest Territories is provided through the Canada Manpower Training Programme, which includes the Institutional Training and Industrial Training components. The Institutional component involves classroom training while the Industrial component concerns employer-based training including classroom and on-the-job training. From 1971 to June 1974 the Department has administered two industrial training programmes. The Training-on-the-Job Programme and the Training-in-Industry-Programme were combined in June 1974 to form the Canada Manpower Industrial Training Programms. The attached information covers each programme separately.

2.

Trainee Starts and Completions in Construction Industry Trades, Northwest Territories

	Canada Manpower Training Program (Institutional)		Training-on-the-Job		Training-in-Industry		Canada Manpower Industrial Training Program		Totals	
	Started	Completed	Started	Completed	Started	Completed	Started	Completed	Started	Completed
1971-72	92	55	60	N/A[1]	—	N/A[1]			152	Data incomplete
1972-73	157	106	49	N/A[1]	20	N/A[1]			226	Data incomplete
1973-74	135	80	80	N/A[1]	18	N/A[1]			215	Data incomplete
1974-75	67	27					24	18	91	45
1975-76	115	63					38	26	153	89
1976-77	94[2]	56[2]					91[2]	34[2]	109[2]	47[2]

[1] Completions are not available by occupation or geographic area.
[2] Estimated—complete data not yet available for 1976-77; completions shown are to date as courses are still continuing.

VANCOUVER AIRPORT—BUS SERVICE

Question No. 1,979—**Mr. Clarke (Vancouver Quadra):**

1. (a) What company is presently under contract to provide bus service from the parking lot of the Vancouver Airport to the Airport (b) who are the officers and directors of the company?

2. (a) On what date was the contract negotiated (b) what were its terms, including (i) cost (ii) length of contract (iii) number of buses in use (iv) hours of service (v) frequency of service?

3. Did the government call for tenders on the contract and, if so, what are the names of the other companies that tendered and, in each case, what were their terms?

4. (a) How many directors and officers are employed by the government to oversee the operation of the service, or in any other capacity, related to its operation (b) what are their (i) positions (ii) salaries (iii) names?

5. Does the government intend that the service be a permanent part of the operation at the Airport?

6. Is the government presently studying alternative parking facilities for the Airport?

Hon. Otto E. Lang (Minister of Transport): 1. (a) Perimeter Transportation Ltd., 4440 Cowley Crescent, Vancouver, B.C. V7B 1B8. (b) Mr. S. A. Miles, President; Mrs. Mary Miles, Secretary; Mr. Wayne Hansen, Director; Mr. Brian Kerr, Director.

2. (a) The contract was not negotiated but awarded following a public tender. The tender was called early in June 1975 and closed on July 4, 1975. Tenderers were required to bid on three separate items of payment: (i) Management and Overhead; (ii) Depreciation; (iii) Operating costs. Three companies submitted tenders; Perimeter Transportation Ltd.—$1,653,-954; Vancouver Airlines Limousine (1963) Ltd. $2,702,530; Metro Parking Ltd. $1,048,628; Metro parking subsequently withdrew its bid citing miscalculation of the depreciation. (b) (i) Total Cost $1,653,954 based on; Management and Overhead, $9,957 per month; Depreciation charge per bus $600 per month; Operation charge each bus, $8.82 per hour. The first two payment items are firm for the life of the contract. The last payment item may be adjusted annually to reflect increased fuel and labour costs. (ii) Contract term three years with provision for two, one-year renewal periods. (iii) Four buses. (iv) 5:30 am to 1:00 am (v) 5 to 7 minutes service during normal hours and increasing to 3 to 5 minute service during peak hours.

3. See Para. 2. (a).

4. The bus service is provided under a management contract. It is inherent in the terms of the contract that the contractor provide all operating personnel, superintendence and management. Involvement of airport management staff is minimal and relates to occasional directives and audit reviews to ensure contractor is meeting all terms of the contract.

5 and 6. Consideration is presently being given to the construction of a car parking structure. Act such time that a parking structure is built the need for a shuttle bus service will be eliminated.

CNR—PENSIONS

Question No. 2,022—**Mr. Knowles (Winnipeg North Centre):**

1. How many retired employees of the Canadian National Railways are in receipt of pensions of less than $25.00 per month?

2. How many are in receipt of a pension of $25.00 per month?

3. How many are in receipt of pensions of (a) $25.01 to $29.99 per month (b) $30.00 to $39.99 per month (c) $40.00 to $49.99 per month (d) $50.00 to $59.99 per month (e) $60.00 to $69.99 per month (f) $70.00 to $79.99 per month (g) $80.00 to $89.99 per month (h) $90.00 to $99.99 per month (*i*) $100.00 to $124.99 per month (j) $125.00 to $149.99 per month (k) $150.00 to $199.99 per month (l) $200.00 to $299.99 per month (m) $300.00 to $399.99 per month (n) $400.00 per month and over?

Hon. Otto E. Lang (Minister of Transport): The Management of Canadian National Railways advises as follows: 1. One hundred seventy-six.

2. Four hundred four.

3. (a) 203; (b) 182; (c) 570; (d) 400; (e) 479; (f) 1,140; (g) 520; (h) 459; (i) 1,025; (j) 1,224; (k) 2,847; (l) 6,208; (m) 4,475; (n) 7,322. In a number of cases, the amounts of pension paid by Canadian National Railways do not represent the total pensions payable to employees for railway service. Pension payable by CNR to international employees (service in both Canada and the United States) relate to their service in Canada only. Such employees also receive annuities respecting eligibility for which CN has made contributions payable under the U.S. Railroad Retirement Act for the Social Security Act for service performed in the United States. For example, in the group receiving pensions under $25 a month, in 1976 there are 32 former international employees who receive U.S. Railroad Retirement or Social Security annuities in respect of CN service rendered in the United States. In addition, there are various pension agreements between CN and other companies, such as Canadian Pacific Limited, CP Telecommunications and the Ontario Northland Railway where each company issued separate cheques for its portion of the total pension. Only the pension payable by CN is in this statement. Also, since the passing of the Pension Benefits Standards Act by the Federal Government on October 1, 1967, there are 41 employees who have terminated service with CN and are receiving rather small compulsory deferred pensions for service performed only from October 1, 1967. The balance of those receiving small pensions are employees who elected Early Retirement (before age sixty-five) with reduced basic pensions ($25) and employees who had very short service and very small contributions.

PENSION PLANS

Question No. 2,025—**Mr. Knowles (Winnipeg North Centre):**

1. How many persons are receiving pensions from private pension plans, such pensions being based on employment in Canada and what is the average pension per month received by such persons?

2. Of those indicated in the answer to Part (1), (a) how many are having their pensions escalated annually at a rate equal to the rise in the Consumer Price Index (b) how many are having their pensions escalated annually at a lesser rate (c) how many receive no annual escalation of their pensions?

3. How many persons are contributing to or are enrolled in private pension plans based on their employment in Canada?

4. Of those indicated in the answer to Part (3), (a) how many are in plans which provide, after retirement, for an annual escalation of their pensions at a rate equal to the rise in the Consumer Price Index (b) how many are in plans which provide, after retirement, for an annual escalation at a lesser rate (c) how many are in plans which provide for no escalation, after retirement, of their pensions?

5. How many persons in Canada are receiving retirement benefits from annuities, insurance plans, retirement saving plans or other schemes apart from employment-related pension plans and what is the average amount per month received by such persons from such plans?

6. Of those indicated in the answer to Part (5), (a) how many are having such benefits escalated annually at a rate equal to the rise in the Consumer Price Index (b) how many are having their benefits escalated annually at a lesser rate (c) how many receive no annual escalation of their benefits?

7. How many persons in Canada are enrolled in retirement plans of all types other than employment-related pension plans?

8. Of those indicated in the answer to Part (7), (a) how many are enrolled in plans which will provide, after the payment of benefits commences, for an annual escalation equal to the rise in the Consumer Price Index (b) how many are enrolled in plans which will provide, after the payment of benefits commences, for an annual escalation at a lesser rate (c) how many are enrolled in plans which will provide after the payment of benefits commences, for no escalation?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as the Department of

National Revenue is concerned: 1, 2, 5, 6, 7 and 8. There are no departmental programs to capture this information either by analysis of documentation filed for registration purposes or through filing of special information returns.

In so far as Statistics Canada is concerned: 3. There are 3,902,498 members enrolled in private pension plans in Canada.

4. (a) The number of plans which provide, after retirement, for an annual escalation of pensions at a rate equal to the rise in the Consumer Price Index is 29. (b) The number of plans which provide, after retirement, for an annual escalation at a rate less than the Consumer Price Index is 142. (c) The number of plans which provide for no escalation after retirement is 15,454.

NOTE: This information is based on January 1, 1976 data.

PUBLIC HEALTH LAWS

Question No. 2,163—**Mr. Stevens:**

As of December 31 (a) 1968 (b) 1976, what was the number of federal employees engaged to enforce public health laws?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as Agriculture Canada is concerned: (a) 970; (b) 1,381. Departmental personnel devote only a portion of their time to enforce public health laws.

In so far as the Department of National Health and Welfare is concerned: (a) 237; (b) 325.

QUEEN CHARLOTTE ISLANDS—FERRY SERVICE

Question No. 2,189—**Mr. Brisco:**

1. What is the full one way air fare from the British Columbia mainland to the Queen Charlotte Islands?

2. What is the full return fare from the Queen Charlotte Islands to the mainland?

3. What is the estimated number of passengers per month that will use the new subsidized air fare from the Queen Charlotte Islands to the mainland, one way and return?

4. What department and/or ministry made the decision to employ the *Manibou Princess* to carry passengers between the mainland and the Charlottes?

5. What was the cost to the taxpayer of the ferry service provided to the Queen Charlotte Islands from the mainland prior to the removal of the ferry service and substitution by the *Manibou Princess*?

6. What is the estimated number of Queen Charlotte residents who will be in a position to make application to the Minister of Transport for rebates for air fare from March 1 to March 11, 1977?

7. What is the estimated cost of the Public Awareness and Information Programme to be carried out by the regional officials of the Department of Transport to acquaint Queen Charlotte Island residents with the air rebate system?

8. Other than passengers, what cargo, if any, was carried by the *Manibou Princess* between the Queen Charlotte Islands and the mainland and return?

9. What cargo, if any, was carried by the former ferry service to the Queen Charlotte Islands from the mainland and return?

Hon. Otto E. Lang (Minister of Transport): 1. By Trans Provincial Airlines Ltd: From Prince Rupert to Masset, $29; to Sandspit, $36; to Queen Charlotte City, $36; By North Coast Air Services: From Prince Rupert to Masset, $30.

2. Return fares are twice the above.

3. It is estimated that over the period of a year, there may be an average of 1,000 passengers travelling in each direction each month.

4. The Canadian Transport Commission in co-operation with officials of the Department of Transport.

5. It is almost impossible to calculate exactly the cost of the subsidy for the shipping service from the British Columbia mainland to the Queen Charlotte Islands, as the subsidy paid to the operator was for the operation of three vessels, two of which made calls at Queen Charlotte Island ports. One of the two called weekly at Island ports directly from Vancouver before proceeding to Prince Rupert, and then returned to Vancouver via the Islands again. The second vessel called at Masset as one port in a series during weekly voyages between Vancouver and Stewart. The third ship serviced ports on the lower B.C. coast as far north as Klemtu. The operating subsidy paid in Fiscal Year 1975/76 amounted to $3,748,500 and in 1976, from April 1st until the subsidy was terminated at the end of October, the amount was $2,186,625.

6. Departmental officials have no reliable information on which to base an estimate.

7. Five thousand dollars.

8. None.

9. Records show the following freight tonnage (combined weight and measurement tons).

Calendar Year	Mainland to Queen Charlotte Island (tons)	Queen Charlotte Island to Mainland (tons)
1973	10,238	1,598
1974	11,165.5	1,652.5
1975	10,133	1,625.5
1976 (to October 31)	10,442	1,353

FRENCH LANGUAGE TRAINING

Question No. 2,204—**Mr. Schumacher:**

With reference to the answer to Question No. 1,199, for each year specified what were the reasons given for (a) withdrawal (b) removal from the second language training programmes in (i) 1973, 72 French; 8 English withdrawals: 20 French removals (ii) 1974, 216 French; 46 English withdrawals: 158 French; 4 English removals (iii) 1975, 281 French; 20 English withdrawals: 270 French; 3 English removals (iv) 1976, 279 French; 25 English withdrawals: 152 French; 2 English removals?

Hon. John Roberts (Secretary of State): I am informed by the Public Service Commission as follows: The Public Service Commission does not keep a record of the reasons given by students for withdrawing from language training. As a rule, it is for personal reasons such as: (i) realization by the student that the required standard would not be met within the 52 weeks allotted to training. (ii) nervous tension. (iii) age. These

are the main reasons given. To know each individual reasons would require input from every department. However, in general, students withdrawing from language training are those with a low aptitude to learn a second language. To answer this question in detail would necessitate the retrieval of computer print-outs of 1,566 names, the search of individual files to determine the reason of every withdrawal or removal, and finally the preparation of tables for each year.

FRENCH NATIONALS—NEW BRUNSWICK

Question No. 2,207—**Mr. Jones:**

1. For each year 1966 to 1976, how many French nationals were on the staff or faculty at the University of Moncton, New Brunswick?

2. How many were paid and/or on expenses paid by the Government of France and were they considered to be doing such assignments in lieu of military service for France?

3. For the same years, how many French nationals were on staff or working at L'Evangeline newspaper, Moncton, New Brunswick and was this in addition to the equipment and monetary assistance supplied by the Government of France?

4. How many were paid by the Government of France and were they considered to be doing such assignments in lieu of military service for France?

5. To the knowledge of the government, were such nationals considered as working in a colony of France and, for this purpose, was Canada considered a colony of France?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Manpower and Immigration and External Affairs as follows: 1. The matter of French nationals on the faculty of the University of New Brunswick is not a Federal responsibility. The Department of Manpower and Immigration is responsible for ensuring that if such persons are admitted to Canada that they meet normal immigration requirements.

2. Not available.

3. The matter of French nationals working at L'Evangeline newspaper is not a Federal responsibility. The Department of Manpower and Immigration is responsible for ensuring that if such persons are admitted to Canada that they meet normal immigration requirements.

4. Not available.

5. No.

PORT OF MONTREAL

Question No. 2,218—**Mr. Forrestall:**

Has money been allocated in the National Harbours Board 1977-78 Estimates for the Port of Montreal under the caption "Floating Derrick" and, if so (a) for what reason (b) is this for new equipment in addition to the St. Lawrence Seaway Authority floating derrick and various National Harbours Board and privately owned shore based cranes?

Hon. Otto E. Lang (Minister of Transport): The National Harbours Board advises as follows: Yes. (a) Purchase of a derrick to perform inner harbour dredging by N.H.B. employees. (b) Yes. Its purpose is to perform dredging, whereas the S.L.S.A. "Hercules" is a floating crane.

[Mr. Roberts.]

AIR SERVICE TO LINK CANADA AND ST. LUCIA, WEST INDIES

Question No. 2,302—**Mr. O'Sullivan:**

Has Air Canada completed its study of the possibilities of providing air service to link Canada and St. Lucia, West Indies and, if so (a) on what date (b) what were the findings and recommendations?

Hon. Otto E. Lang (Minister of Transport): The Management of Air Canada advises as follows: Yes. A preliminary study. (a) Late 1975; (b) The study recommended the consideration of service to St. Lucia no earlier than 1981. However, since then, operating economics and other constraints have forced Air Canada to cut back scheduled international operations and to defer the introduction of new routes. As a result, any present recommendations concerning service to St. Lucia are subject to revision.

INTEREST RATES ON INCOME TAX REFUNDS AND PENALTIES

Question No. 2,321—**Mr. O'Sullivan:**

1. What were the rates of interest on payments of income tax refunds and penalties for late payments in the years 1972 to date?

2. What are the new rates of interest proposed in the new Budget?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Revenue and Finance as follows: 1. The rate of interest of income tax was three per cent prior to May 1, 1974, and six per cent since that date. The rate of interest on late payments has been six per cent since 1972.

2. In the Budget Speech, an increase was announced in the rate of interest on both underpayments and overpayments of tax. While a specific rate was not mentioned, there is a statement in the Budget Document to the effect that starting in 1978 the rate of interest will be set by reference to the prime rate charged by the chartered banks. It is the intention to establish the rate for a year sometime before the end of the preceding year. Thus the rate of interest for 1978, to be announced before the end of this year, will depend on the prime rate later in the year. The interest rate, once established will continue in effect throughout 1978 but would be expected to change for 1979 in line with any change in the prime rate.

REVENUE ACCRUED TO NATIONAL HARBOURS BOARD FROM CAST GROUP

Question No. 2,355—**Mr. Forrestall:**

1. What revenue accrued to the National Harbours Board from the Cast Group from tonnage shipped over the Port of Montreal during the 12 months ending March 31, 1977?

2. What is the government's best estimate of such revenue for the same amount of tonnage for the 12 months commencing April 1, 1977?

Hon. Otto E. Lang (Minister of Transport): The National Harbours Board advises as follows: 1. $1,080,716.

2. $1,162,735.

LIP AND/OR CANADA WORKS PROGRAMMES ALLOCATIONS IN NEWFOUNDLAND

Question No. 2,467—**Mr. Marshall:**

What is the breakdown, by constituency, of the financial allocation (a) $6,250,000 in 1971-72 (b) $11,204,934 in 1972-73 (c) $8,382,294 in 1973-74 (d) $7,409,000 in 1974-75 (e) $11,114,000 in 1975-76 (f) $14,069,945 in 1976-77 under the Local Initiatives Programme and/or Canada Works Programme for the Province of Newfoundland?

Hon. Bud Cullen (Minister of Manpower and Immigration): (a) and (b) Under the 1971-72, 1972-73 Local Initiatives Programme, funds were not allocated by constituency. (c), (d), (e) and (f) The amounts quoted in the question do not represent the amounts allocated in the province of Newfoundland under LIP for those years. See Appendix A for the total allocations to constituencies in the province of Newfoundland by programme year. The Canada Works Programme was not administered in 1976-77.

Allocations by constituency in Newfoundland under the 1973-74, 1974-75, 1975-76, and 1976-77 Local Initiatives Program Allocations

Constituency	LIP 1973-74	LIP 1974-75	LIP 1975-76	LIP 1976-77
Bonavista-Trinity-Conception	$ 720,000	$ 1,125,200	$ 1,429,000	$ 2,780,000
Burin-Burgeo	464,000	551,800	642,000	958,000
Gander-Twillingate	594,000	1,173,200	1,640,000	3,209,000
Grand Falls-Whitebay-Labrador	826,000	1,190,300	1,635,000	2,753,900
Humber-St. George's-St. Barbe	912,000	1,650,600	3,060,000	4,991,000
St. John's East	473,000	1,439,000	1,898,000	3,626,000
St. John's West	518,000	1,316,000	1,735,000	2,794,000
Total	$4,507,000	$8,446,100	$12,039,000	$21,111,900

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

MOTION FOR PAPERS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be good enough to call notice of motion for the production of papers No. 86?

Economic Conditions

MANPOWER AND IMMIGRATION

COPY OF CORRESPONDENCE CONCERNING THE WITHHOLDING OF UNEMPLOYMENT INSURANCE BENEFITS FROM PEOPLE OVER 65

[*Text*]

Motion No. 86—**Mr. Rodriguez:**

That an Order of the House do issue for copies of all correspondence or papers exchanged between any level of the Department of Manpower and Immigration and any level of the Department of Justice concerning the withholding of or elimination from unemployment insurance benefits from or of people who were over age 65 or who were in receipt of dependency benefits at the time of the implementation of Bill C-69, An Act to amend the Unemployment Insurance Act, 1971, on January 1, 1976.

[*Translation*]

Mr. Arthur Portelance (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the correspondence and papers in question were legal opinions for the use of the Commission and are not returnable.

[*English*]

Mr. Knowles (Winnipeg North Centre): On behalf of my hon. friend from Nickel Belt, I ask that this motion be transferred for debate.

Mr. Speaker: Transferred for debate. Shall the remaining notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

● (1520)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED LACK OF GOVERNMENT LEADERSHIP IN AFFAIRS OF STATE

Mr. André Fortin (Lotbinière) moved:

That this House regrets the lack of foresight and leadership of the Government in the management of State affairs, particularly in view of the fact that it deliberately permits the worsening of inflation and unemployment problems, which directly leads to a very marked deterioration of the social climate and national unity and prevents Canadians from using their vast human and economic resources to achieve their personal aspirations.

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, as you can see, the opposition motion moved today by the hon. member for Lobtbinière (Mr. Fortin) calls the attention of the entire country to the fact that the lack of government leadership is a serious problem with many aspects which must be looked into and analysed.

When we say in our motion that the government permits the worsening of inflation and unemployment problems, it is because the results are there to see. Even though we came through by-elections, we did not come up with a solution to these problems. We were told during those by-elections that if

Liberals were elected there would be no more problems! In my riding, people were a little more realistic. They realized that they did not need any Liberal members in the House but rather representatives who can stand up and point out to the government that it does not do what needs to be done to resolve the problems.

We had the Minister of Regional Economic Expansion (Mr. Lessard) in my riding going from one village to another and saying to people that they were the ones who would tell the government on the 24th whether it was going to invest money in their riding. We know quite well that there are problems of unemployment, of lack of industries in my riding. So this guy comes on TV—and he is not just anybody but a government administrator—to tell the population of Témiscamingue: You are going to tell us on the 24th whether or not we should look after problems in your area. And the same thing was repeated in other regions throughout the province of Quebec and the province of Prince Edward Island. We cannot stand still for that sort of thing. It is not through economic blackmail by a government minister that we are going to resolve problems but by bringing the proper solutions to the proper places.

People have been asking for grants to small businesses. Instead of doing what the government has done for a number of years, subsidizing big business, why not take those same amounts and give them to small businesses in remote areas, so that people can work in their localities and not be forced to go away, as many are in the province of Quebec now and in other provinces. Grants are needed, and rather than trying to reinforce the economy, the government has tried by all means to minimize and destroy our production.

Last year in June, farmers were here on Parliament Hill to complain about the reduction in dairy production quotas. They were told then: you farmers have to reduce your income by 20 or 30 per cent because you produce too much powdered milk. In fact, what do we need in Canada? Milk butterfat. If there is a surplus of powder milk, let us give it to underdeveloped countries. Let our farmers produce what they can produce, and then we will allow those people to live a decent life on their farms and their sons to continue the work they have done. With its legislation, the government has compressed the potential of farmers, reduced their productivity, often through negative incentives, and discouraged the sons from following in their fathers' footsteps. We had evidence of this again in June of last year. We saw the government authorize excessive imports, to the prejudice of Canadian producers. That's the government's position! And when there is a by-election, it sends ministers such as the Minister of Regional Economic Expansion to tell the people that if they vote for the government, the government will solve all their problems. In fact, the quotas should be out by now, but the farmers have not yet received them.

We are aware that there are 1,400,000 unemployed, but instead of providing them with a guaranteed annual income, as we have often suggested, to help them seek employment and increase their income with something other than unemployment insurance benefits, the government introduces a new bill to reduce further the income of the unemployed, a way of telling them to leave these benefits alone and get a job, when in fact there are no jobs. This is an example of the attitude of the present government, which is not interested in finding a solution to our problems, but instead, as is said in the motion, and I quote:

> . . . which leads directly to a deterioration of the social climate and national unity . . .

No, they prefer to resort to economic blackmail in the province of Quebec and in other provinces. They would rather have 1,400,000 unemployed and force them to live on unemployment insurance, so that they can lay all the blame on local governments or on the government of the province of Quebec and say to them: "This provincial administration is no good, there are more people on welfare in this province then in any other part of the country. " Actually it is the federal government which is the cause of the problem. It should find ways, if not to create jobs, at least to provide the unemployed with a guaranteed income, an allowance which would help them through.

They talk of inflation, they talk of unemployment. But what has been changed by the anti-inflation controls? Absolutely nothing. The price of sugar is up, the price of coffee is up and gas is going to increase once more and they come and tell us: "We have done a tremendous job there. The government has solved the problem there. And again during the last by-election campaign they have told people the same old story. Meanwhile they allowed the multinationals to increase their prices and their production and, at the same time, they reduced consumers' purchasing power through indirect tax increases, and through chronic unemployment across Canada, which means people do not have enough money to pay for the goods which are being produced. And this goes on and on. Now they say: There is nothing we can do, as they said to farmers in June of last year, there is nothing we can do, we cannot do more. It is strange that those same politicians, come elections time, did not hide behind a cordon of police to meet farmers and producers; but when farmers and producers come down here to meet their representatives in the House of Commons, then the minister and the whole gang remain behind a cordon of police to be sure they will not have to face them. We have a provocative government, and they try by all means, not to settle problems but to throw all the blame for their administrative inability at the provinces, the municipalities, and individuals rather than really govern and find and implement solutions to our problems.

● (1530)

When we look at the government's mode of financing, and when we have been saying for so many years—and I am not the first one to say so—to the government that it is inconsistent to pay for government sponsored services for the benefit of the whole population, at a high rate of interest when in return we have to tax people two, three, four or five time their value before we pay off the interest on that very same thing.

Let me give you one more example: the construction of the Champlain bridge in Montreal, which is a public utility, cost $54 million. The debt still amounts to $52 million, plus $24 million in accrued interests. After using it for 15 years, we still have to pay 25 cents toll and moreover, this bridge still costs $54 million. We, smarties, now owe $76 million on this bridge, because of this government's policies. This is the kind of administration which kills initiative and drive in this country. As for the Jacques-Cartier bridge, it has been going on for even longer. It is even funnier. It cost $24 million to build in 1930. After paying $20 million in interest since 1930, which is 47 years ago, we still owe $21 million on it.

And then we are told that inflation comes from overseas, that foreign countries export their inflation to Canada. We are creating it ourselves through the present policies of the government. They create inflation. And because of this, people do not have the purchasing power which is necessary to buy goods and services. We are forced to curtail the payroll or employment ceases because we cannot afford to go on, we then have the jobless. And because of these jobless people, we or the government put forward a new piece of legislation to fight unemployment and say that we have solved the problem, putting the blame, in a spirit of confrontation, on the provinces, and particularly on the province of Quebec, for their inability to create jobs. And this is what is happening, at the moment we have 1.4 million unemployed. And then we tell job hunters to make at least three contracts a week. That is no joke! How much does this amount to? Three millions; four by three make twelve. That makes 4,200,000 people a week in search of a job while industries keep on closing their doors.

An hon. Member: That is a lot of gas!

Mr. Caouette (Témiscamingue): Right, and the price of gas is rising too. So they introduce unemployment insurance legislation forcing people back on the labour market to find some of those 4,200,000 jobs which do even exist; if they get no unemployment insurance benefits, it is obvious that they will have to go on welfare. Then the government will wash its hands of it, saying that it depends on the provinces, especially in Quebec which metes out social welfare, so it depends on them. We have no unemployed, just people on welfare. For the government, that is the solution to the problem.

An hon. Member: The parade of the Holy Innocents!

Mr. Caouette (Témiscamingue): Exactly! We saw the parade of Holy Innocents in the riding of Témiscamingue. It was not the Holy Innocents but the seven innocents: seven ministers, six Liberal members from Quebec, with their secretaries—what a farce!—going from one village to the other trying to convince the people that all their problems had been solved. And, as the Minister for Regional Economic Expansion said: If you don't vote for us on the 24th, you can forget about your grants. Now that is how bright the government is; and a minister who claims to be competent, who claims he wants to solve the problems; and members such as the hon. member for Beauce (Mr. Caron), a fellow who has never risen in the House to say anything, except perhaps to chase the flies around and who, in the riding of Témiscamingue, tried to tell the people and the farmers that their problems would be solved if they voted Liberal, when in his own riding the farmers' quotas were reduced last year and that, when the Grits are in power. The same goes for the hon. member for Compton (Mr. Tessier); and the hon. member for Frontenac (Mr. Corriveau); we saw them going up and down sidewalks one after the other, greeting everyone. Why did they, who were in power, not solve the problem for the people in their riding? No, they prefer to resort to economic blackmail and discriminatory language against a segment of the population. That is the attitude of this government. We suggest that such an attitude goes against national unity; people are getting fed up with those tactics, fed up seeing the government playing small politics. I call that backyard politics where people try to exert pressure and tell constituents: Well, if you help us, we'll help you. The money that the Department of Regional Economic Expansion, the Department of Indian Affairs and Northern Development and the Department of Industry, Trade and Commerce distribute or set aside for any project across the country, not only in Témiscamingue but across Quebec, that is not Liberal money, it is money which the government first took out of people's pockets, and I do not accept that a minister or a government should blackmail a riding by saying: If you do not vote for us, you are not going to get grants. A funny thing in Témiscamingue, most people who pay taxes are Social Crediters because during the last election they still had a Social Credit member of parliament; people will continue to pay taxes after May 24th and most of them are still Social Crediters. That money is no more Social Credit money than it is Liberal money, it is Canadian money that we, the taxpayers, invest in a government, and we ask the government to meet our needs. Ridings like Témiscamingue, as most Quebec ridings, need investments in small business, not in multinationals, not in imports. For example, imports have destroyed Canada's footwear industry. And they say we have people unemployed. A whole gang of people used to work in the footwear industry; because of imports, those industries had to close down, and they say we have unemployed people. Those people no longer have jobs. They have destroyed or are about to kill the rest of the textile industry in the province of Quebec because they allow massive imports of foreign products. They say: Well, yes, but the international market—that's right, let us cater to the international market and never mind starving Canadians, that is the government position. What our party favours is to help small business, to help people. I did not resort to economic blackmail during the last election campaign. I asked some individuals: What can you do in your area, in your village, in your parish to help create employment? A lot of projects. During the last campaign we found 12 projects, a tannery, for instance. Earlier in a question to the Minister of Regional Economic Expansion (Mr. Lessard) I mentioned a silica mine at Saint-Bruno-de-Guigues, a furniture factory, other industries related to hunting, fishing and tourism. Twelve such projects have been created where people are interested in employee participation in the business, not as slaves, but as

direct participants in the company. People are ready to get to work, but once again the government must invest money or consider the matter but as far as we are concerned we are ready to go with these people and meet the public servants, meet the ministers if necessary, and make them realize the merit of the requests presented by Canadians who want to build their country in spite of this government which is now trying to destroy small business. With these people, we shall succeed in developing and implementing these projects, and if sometimes we have to twist the arm of the ministers we shall do so. The government has invested $13 million in the DASH-7 plane. Our own Canadian companies, Air Canada and Canadian Pacific, are not even interested in purchasing this plane. Yet money has been invested in this venture. It would have been far better to invest these millions in small local businesses to enable people to make a living in their own community. It is less costly for them to live in their own communities than to have to travel across the country to find work in the Yukon and in the Northwest Territories, or for those who live in Quebec, at James Bay. People want to work at projects in their communities. This is why we ask the government to reinvest the money taken in taxes, in the constituencies so that people can work in their own area. This is the course of action we want to see followed. This is why we criticize the government for its lack of leadership and its lack of interest concerning the promotion of Canadian projects. The government is more interested in playing the great game of politics with other countries. It then tells the Canadian people to stop producing.

● (1540)

Earlier I mentioned the farmers. They are asked, for far-fetched reasons at that, to reduce their production by 20 or 30 per cent, that is to reduce their income by 20 or 30 per cent. That is what this government asked the farmers last year. It did not even ask them, it forced them to do so. The farmers came to Ottawa to complain and the government said that there was nothing to be done. It justified its action by saying: There is a milk powder surplus. When do we hear in Canada companies like CIP, Abitibi Paper and others say that they should cut their production because there are too many branches on a tree. It is a nonsense! When it is a big corporation it can do whatever it wants but in the case of individuals who fight to build their country it is a different matter; their potential, their revenue is reduced and they have to go on unemployment. Once they are unemployed, their allowances are cut and then they have to go on welfare.

Mr. Marceau: You are late, you are one year behind. Talk about this year.

Mr. Caouette (Témiscamingue): The quotas for this year are not yet known. They are late again as they have always been since you are in power. You did not come up with any answer, you are still taxing and overtaxing people and investing in the financing sector instead of putting money in small business. Instead of using that money as an investment to produce something, you pay exorbitant interest rates. This is what you have done.

I referred to Champlain. I referred to the Jacques-Cartier bridge. I could mention buildings which are presently under construction. It is the same type of mismanagement. You say things were like that a year ago but this year you continue the same type of mismanagement which sparks the inflationary spiral. What should be changed in the present government is that we should stop financing federal, provincial or municipal administrations through interest free loans. We do it indirectly for other countries so we could do it at home. This way, we shall solve our inflation problem.

Mr. Marceau: Oh!

Mr. Caouette (Témiscamingue): You will cope with unemployment when you start investing money in small business. There is unemployment in your area as there is in ours. You even have more of it. It is not because you are in power that there is less unemployment in your riding. Unemployment is higher in your area, in the Lapointe riding. Yet your constituents voted for a government member and they have unemployment and inflation as we do. But there is a difference. In Témiscamingue, people have awakened and they are not going to be fooled by two-bit politicians and their stories.

Generally speaking, this prevents Canadians from using their vast human and economical resources. That is precisely what the government is doing. It is simply destroying individual initiative. People are being forced out of the work force by various laws. At present, under the income tax and the unemployment insurance regulations, if someone wants to hire a carpenter to work at home, simply because one is not a contractor, it cannot be done. A restriction has been set. The chap must work for someone, so he can come and work at your place, but by so doing he forfeits his unemployment insurance stamps. In this way, they are making sure he is not going to work, and then the government can say: the unemployed are just lazy people who do not want to work. Well, in fact, the government is making sure that if they ever find work, they will be penalized.

Mr. Marceau: Who said the workers are lazy?

Mr. Caouette (Témiscamingue): The hon. member for Lapointe (Mr. Marceau)!

Mr. Marceau: I never said that.

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

The Acting Speaker (Mr. Turner): The hon. member for Lapointe (Mr. Marceau) on a point of order.

Mr. Marceau: Mr. Speaker, the hon. member for Témiscamingue (Mr. Caouette) has just made a very serious accusation alleging that I said the workers were lazy. I demand that he withdraw his remarks because I have never made such a statement, for I know that those who are now out of work do their best to find a job. I have never made such a thing. I therefore ask him to take those words back because I have

never made such a statement, as I feel much sympathy for people out of work.

Mr. Caouette (Témiscamingue): Mr. Speaker, it is not sympathy that is needed but jobs, when the hon. member will start working at it, he will create jobs, and then he will not have the problem he has in his own riding which also exists everywhere else in Canada.

Use the vast human resources—

Mr. Marceau: Mr. Speaker—

Mr. Caouette (Témiscamingue): The hon. member will have an opportunity to speak later on. His time has not come yet. Let him listen. Some would be better to listen more often instead of burbling.

Let us use our vast human resources! As I said earlier, they try to destroy individual initiative, to penalize people by every available means; therefore, it is about time to move into a new direction. We can still hope since there will be a federal election within 10, 12, 15 or 18 months, that the government will finally decide, after announcing it day after day, month after month, to remove those anti-inflation measures which have been a real failure. It is to be hoped as well that before the next election, the government will finally inject some funds into small business. At that time we shall continue our work, namely to get the people to understand that they should not expect too much from this government, that Canadians themselves should prepare projects, work with a view to create jobs at home, and then, the government will have no choice but to follow suit. This is what we did during the election campaign and this is the kind of work we want to pursue, to get people to understand that we are living in a democracy and not in a red dictatorship, that we are working under a democratic system and that together, we, the citizens, are able to develop projects, to create employment in this country, and then, the government will have to follow suit.

Mr. Speaker, this is about all I had to say about this motion. There are two main points, however, one which shows the inefficiency of this government and the other one which proves there are solutions to our problems. It is a pity, that this government does not want to accept our solutions, that he chooses confrontation rather than trying to solve our problems. It is a pity, but nevertheless, we still continue to work with the people to try to convince this government which will, during the coming election campaign as I said, be able to show more recognition towards workers, those people who want to work in their country instead of being unemployed because of ill-advised and ill-oriented policies such as those this government has been developing up to now.

[*English*]

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I am honoured to rise and support this motion moved by the hon. member for Témiscamingue (Mr. Caouette). As far as I am concerned, the government has already proved that the motion is 100 per cent correct. It reads as follows:

Economic Conditions

That this House regrets the lack of foresight and leadership of the government in the management of state affairs, particularly in view of the fact that it deliberately permits the worsening of inflation and unemployment problems—

That part of the motion has been proved by the answers given to questions put in this House in the last day or two. The government has admitted it has adopted a deliberate policy to permit inflation and unemployment to worsen. Its very lack of action proves this. The motion continues:

—Which directly leads to a very marked deterioration of the social climate and national unity and prevents Canadians from using their vast human and economic resources to achieve their personal aspirations.

The motion is 100 per cent correct, and that is why I am proud to support it. First of all, Mr. Speaker, I have to apologize to my confrères in the Social Credit party because I cannot address the House in French. I never lived in an area where French was used and therefore was not able to retain the ability to speak French after my high school education. Having lived in a place where the language is 99 per cent English, I am afraid I cannot converse in French in this House. Although I may not be able to speak French, however, I can understand the aspirations and motives that lie behind this motion. I believe I can understand what agitates many of the people who live in Quebec today, although I do not speak their language.

● (1550)

Questions were asked in the House yesterday by the hon. member for Hamilton West (Mr. Alexander) of the Minister of Finance (Mr. Macdonald), as reported at page 6102 of *Hansard*. The hon. member asked the Minister of Finance what steps he was going to take in view of the unemployment figures that had been revealed by the leader of the NDP on Monday and the projections by the Department of Manpower and Immigration. The hon. member asked the minister whether he was content to stand pat, or what action he was going to take; and the minister answered:

As I indicated in my budget, we did anticipate the difficulty of reducing the rate of unemployment in Canada over the next several years.

He went on to allege that they were going to give a little stimulus by spending more money and by putting more money into the programs of the Minister of Manpower and Immigration. So it is quite evident that the minister knew, when he brought down his budget, that unemployment rates—as forecast—will keep increasing for the next several years, and he will do nothing about it.

Then the hon. member for Hamilton West asked the minister what specific measure he intended to introduce in the near future to alleviate this serious situation. The answer which came from the bolshy Minister of Finance, who was like a bolshy for two or three years up to this year because he had no regard whatsoever for the private sector and in his view it was only the great Liberal government that could pull Canada through the following:

We have taken the position that the best prospect for employment in Canada, both on the short-term basis and over a longer run, is through further stimulation in the private sector.

What a turnabout for the Minister of Finance in the last two years! He thought he and his party had all the answers. Now he says it is up to private business to give us the solutions. The government has thrown up its hands; it can do nothing; it will allow one million Canadians to stay unemployed for the next two years. It is an admission of moral and political bankruptcy by the government. I say: on to the barricades!

Some hon. Members: Hear, hear!

Mr. Crosbie: I say: On to the electoral barricades so we can give the people of Canada a chance to dump this government before they leave us in stagnation any longer.

This motion mentions national unity. Hon. gentlemen opposite think that the national unity issue will allow them to pull the wool over the eyes of the Canadian voters. No matter how many are unemployed, no matter how many suffer from inflation, no matter how the economy stagnates in Quebec and in the Atlantic provinces, they think they can pull through anything. Their policy is to out-redneck the rednecks in the nine provinces and say to the people of Quebec, "We are the only alternative to what you have in Quebec". They think they will take all the alleys home with them on the national unity issue.

I say it is a scurvy policy they have adopted, one that will not work. Over the next two or three months these issues have to be discussed in Canada. The Liberal government believes that the national unity issue is a security blanket for the Liberal party. Last year separatism was dead. This year, the Prime Minister (Mr. Trudeau) is glad to have the ghost of separatism arisen in the province of Quebec with which to wrestle. Mr. Speaker, if René Lévesque did not exist, Keith Davey would have invented him.

Some hon. Members: Hear, hear!

Mr. Crosbie: He would have had to invent him, because that is the only hope the hon. gentlemen have of succeeding in a general election. Now, Mr. Speaker, I want to make one more reference to *Hansard* of Monday, May 30, when the leader of the NDP brought forward the unemployment figures, which were kept hidden by the Minister of Manpower and Immigration (Mr. Cullen), and the forecast for the next two years. He put the question to the Minister of Manpower and Immigration, who is in the chamber today. There is one thing I will say about him, and that is that at least he is in the chamber a good deal of the time and has some regard for the House, although it may be because there have been a lot of debates regarding his department this year. But he does come to the House often. One of the sorriest things I have seen since I came to Ottawa last November is the general irrelevancy of the House. About that I will speak at another time.

The minister was asked what specific programs he will establish to do something about the alarming situation which his department forecast. The hon. gentleman's answer was that he is doing all he can, that the Minister of Finance has introduced a budget to try to increase export trade, and that there are other projects to deal with the situation in so far as the government is able to cope with it. The answer, Mr. Speaker, is that the government is not able to cope with the situation. If the hon. gentleman is asked what he is doing, and he says they are doing all they can in so far as they can cope, then the answer is to get them out because they cannot cope.

There is raging unemployment in the country. The hon. gentleman's own figures—which he has kept hidden and secret from the provinces, from the opposition, from the members of his own caucus and which were probably hidden from the minister because his officials did not want to bother him with such onerous problems—show for the province of Newfoundland, my own province, an unemployment rate of 16.4 per cent for 1977-78, rising to 17.4 per cent next year. In P.E.I. the unemployment rate will be over 10 per cent in the next two years. In New Brunswick it will be over 11 per cent; in Nova Scotia, 10.4 per cent and 10.8 per cent, rising to 11.3 per cent; in Quebec it was 9 per cent last year, 9.4 per cent in the present year, and it will be 9.8 per cent next year. Soon Quebec will join the rest of us in the Atlantic provinces with an unemployment rate of over 10 per cent.

Hon. gentlemen opposite stay in government because they have given up trying to cope with the unemployment problem and the economic situation. All they want to cope with is the spurious issue of so-called national unity to which they say only they have the solution. The people of Canada want a government that will cope with more than so-called national unity. National unity has been weakened considerably by the lack of economic policies of this government, by the breakdown of the economy, by the government's failure to bring forward programs. It is true that Canada Works and Young Canada Works are doing some good, but these are makeshift programs.

It is interesting to note, when mismanagement became really bad with the Liberal government opposite, that that government has been in office since 1963. If we look at the document tabled by the Minister of Finance entitled "Economic Review, May, 1977", we see them condemned in their own pallid review. This document is as tastelessly written as possible so that no one will read it and see the awful facts of our economic situation. Their own document shows, at page 10, what has happened to prices and inflation since 1971.

In 1971 the CPI went up to 2.8 per cent, and in 1972 to 4.8 per cent. Then the hon. gentlemen opposite were returned as a minority government and they just gave up all attempts to control inflation. They wanted to stay in power. They had the well known Liberal disease of staying in power above anything else. In 1973 the inflation rate went up to 7.6 per cent, and in 1974 they gave up any attempt to do anything, but stay in power by spending, at which time it went up to 10.9 per cent. In 1975 it was 10.8 per cent. After the election in 1974 they introduced a program which they have campaigned against, the program of wage and price controls. They are doing anything just to stay in power. The Minister of Finance brought down a budget that does not have as much meat in it as one McDonald's hamburger. That one hamburger has more

meat and sustenance for the unemployed of this country than does Macdonald's budget.

Some hon. Members: Hear, hear!

Mr. Crosbie: That is the hon. gentleman who answered some questions yesterday and said they had to leave it to private enterprise. The same minister, in his own document to which I just referred, at page 68 shows the following new capital expenditures, by region, for 1970 to 1975. In the Atlantic region, the new capital expenditures increased to 12.2 per cent in 1970 to 1975. Then this figure went down to 8.5 per cent, and then to 3.3 per cent in 1976. In Quebec it went from 21.8 per cent in the period 1970 to 1975, up to 24 per cent, and in 1976 it went down to 2.9 per cent. That was before the bogey-man was elected on November 15. The bogey-man was only in power in Quebec 1½ months in 1976. Under the economic policies of this government the figure for new capital expenditure in Quebec went from 24 per cent in 1975 to 2.9 per cent in 1976.

• (1600)

There was also a decline in Ontario. On the prairies there was an increase, presumably because of the good governments they have on the prairies and because of their economic conditions. In B.C. the figure went up slightly. That is the record of this government which talks about national unity. That is what this government has done for Quebec.

Mrs. Holt: What would you do?

Mr. Crosbie: The hon. lady opposite can speak in a few minutes, if she dares, and I do not doubt that she would dare because she has a lot to say.

Mrs. Holt: What I have to say is more valid than what you have to say.

Mr. Crosbie: That is a question of judgment.

Mrs. Holt: You wouldn't know what judgment is.

Mr. Crosbie: What is causing the so-called national crisis is the lack of success of the Liberal party and the Liberal government since 1963 and their policies and attitudes here in Ottawa as well as the failure of the Bourassa government in Quebec. Bourassa was installed by the federal Liberals to lead their party in Quebec, but he failed, they failed and their policies failed, and that is why we have a unity crisis.

The Liberal party has been in power in Canada since 1935, with the exception of five glorious years under the right hon. member for Prince Albert (Mr. Diefenbaker). The Prime Minister has been in power for nine years. He came to power promising that he had the solutions to Canada's problems. He said that bilingualism was going to solve the unity problem and the Quebec problem. The Department of Regional Economic Expansion was going to overcome regional disparity—and that has been an abject failure. We are asked to keep the right hon. gentleman in office to continue this record of failure for the next five years. I say, let us get through the barricades; let us put it to the test. The policy of bilingualism whereby a person should be able to speak French or English anywhere he goes in Canada has not been a success. It has not done away with the problem of separatism. What are the real causes of the discontent in Quebec, in Newfoundland and in Atlantic Canada generally? First, the arrogance of the government of Canada in its federal-provincial relations and the way it treats the provinces.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order, please. The hon. member for St. John's West (Mr. Crosbie) has the floor, and I suggest hon. members listen.

Mr. Crosbie: People in Quebec feel that their culture and their racial survival is in danger. The rest of us believe we can survive no matter how arrogant the government in Ottawa is and no matter how much it centralizes or how it conducts federal-provincial relations. However, in Quebec the people feel that their cultural and racial identity is threatened because of this move of power to the centre. That is one cause of national disunity. The second main cause is the unparallelled mismanagement of the economy, the inflation we suffer from, the unemployment we have, and the swollen government structure which swallows up so much of our national wealth. No wonder there is disaffection in Quebec. It is everywhere in this country, but added to this disaffection in Quebec is a feeling of historic injustice which many feel they have suffered for the last 100 years. That is what is exasperating this situation.

What other causes are there for this national unity problem? The government which is now in power is so arrogant that it cares not what the public thinks of the actions it takes in its administration. We had proof of that the other day when a minister of the Crown took a jet to travel from Ottawa to St. John's, Newfoundland, to deliver a cheque to the Canada Summer Games committee. That committee was in this very capital two weeks before. That cheque could have been sent by registered mail for 20 cents. However, it cost the taxpayers of Canada $3,000 or $4,000 to have it delivered to St. John's so that that minister could have his picture in the newspaper in St. John's showing him handing over the cheque to the Canada Summer Games committee. Any city would be entitled to that money if it were staging the Canada Summer Games. Things like that cause discontent. That is an arrogant misuse of power.

Then the Secretary of State for External Affairs (Mr. Jamieson) got into a jet at Torbay airport and flew to the Burin peninsula to fly about his district and to make visits. I wonder if the Liberal party paid for that. That same minister refuses to answer questions tabled in this House about his trip to Newfoundland in August and September of last year. That minister reminds me of the story of the emperor's new clothes. He is going to be left without a stitch before the government opposite is finished with him. The Prime Minister has taken all Francophone affairs away from him and given them to the

Minister of Supply and Services (Mr. Goyer). CIDA is the responsibility of the President of the Privy Council (Mr. MacEachen). In another six months the Secretary of State for External Affairs will have nothing left. Perhaps he will become the minister in charge of St. Pierre and Miquelon.

This government believes it has been rescued by an issue. It found that separatism was not dead, as stated by the Prime Minister, but that it is alive and apparently doing well in Quebec. The government feels this issue will pull it out of the hurdle and that people will overlook the other things which have affected them over the last five years of Liberal mismanagement. Let us put it to the test. I say, call an election tomorrow. Let us get the show on the road and find out whether the people of Canada are that gullible.

I would like to use Newfoundland as an example of our poor economic situation, because the figures for Newfoundland are worse than the figures for anywhere else in this country. They are bad enough, God knows, elsewhere. However, in May there were 17,789 construction workers unemployed. These figures were given to us by the minister's department. There were 11,442 labourers, 111 concrete finishers, 3,925 carpenters, 604 electricians, 91 boiler-makers and 37 plasterers unemployed. The construction industry is almost dormant in Newfoundland. The provincial government there cannot borrow any more. It is doing all it can, as confirmed by the Economic Council of Canada in its study "Living Together", a study of regional disparities. In that study the Economic Council says that the one province in Canada which should not try to increase aggregate demand when necessary by borrowing more is Newfoundland.

What is our great federal government doing to help in that traumatic situation? The unemployment rate in Newfoundland is 19.2 per cent actual unemployment, 16.8 per cent adjusted. Is there a special program under way, is there some special effort to help these unemployed Newfoundlanders, or are the Newfoundlanders to be considered as some kind of different breed or outer breed to be allowed to wallow in their unemployment for the next two years while mainlanders laugh up their sleeves about it and think it is comical to see those poor old Newfies unemployed? Is that the attitude?

The premier of Newfoundland wrote to the Prime Minister on October 18, 1976, describing the situation. The premier outlined what the Newfoundland government was doing and he described the problems. The Prime Minister was asked to introduce some special programs to help Newfoundland. There has not been one special program. That is the answer to the call for help which went out from the government of Newfoundland. There has been neglect. Now we see from the minister's figures that we are supposed to tolerate this for another two years without any improvement or any attempt to bring about an improvement.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with unanimous consent. Does the hon. member have unanimous consent to continue?

[Mr. Crosbie.]

Some hon. Members: Agreed.

Mr. Crosbie: Mr. Speaker, I will try to conclude briefly. I know there are many others who wish to speak. I do not want to be too parochial, so I will refer to the situation in the Atlantic region as described in an APEC report on Saturday. The economy of the Atlantic region is unable to absorb a bigger work force or substantially raise production. It was unable to do that in 1976, and we are slipping through 1977 without the prospect of rapid economic development. The report shows that in the whole Atlantic region the seasonally adjusted unemployment rate was 13.3 per cent in March of this year and 10.5 per cent a year earlier. The unadjusted figure this year is 15.2 per cent, and it was 11.1 per cent last year. The labour force has grown to 842,000 from 818,000, with the number of unemployed being 113,000 in the Atlantic region. It is pointed out that there is a surplus of office space in the region, which shows that there is not going to be much new construction.

• (1610)

Housing starts are down. That condition will not change and provincial government spending will not increase because the province cannot spend more. We are to depend, hopefully, on export markets in the U.S. Mr. Speaker, the Atlantic region is in great trouble economically. No wonder I support the motion moved by the hon. member for Temiscamingue. The economic ills of Quebec are almost as bad as those of the Atlantic provinces.

We have the right to ask the government what it will do. We do not need to be told that the Minister of Finance's budget was the answer. It was not the answer. The government would have answered our condition if it had made a real attempt to improve conditions in eastern Canada. It could have done it with tax write-offs, at least more generous tax write-offs than those suggested, with a phasing out of the federal sales tax, with a reduction of corporate taxes even to zero in the underdeveloped regions of this country like the Atlantic provinces. This would have provided some incentive for business to move to the area. The government could have introduced even a 100 per cent tax credit to answer the needs of the area. A number of measures could have been taken if the government had been truly concerned about the problem. The government feels it can use the national unity issue to stay in power, and it will not move to meet the real economic needs of Quebec and the Atlantic provinces. That is shabby, too shabby for words. We are in a Liberal economic bog. They are not prepared to put ground under our feet so that we can step out of the bog.

In conclusion, I say we need a new budget to stimulate the economy in eastern Canada. We want more assistance to overcome unemployment, more concrete measures to stimulate private investment, the removal of controls which are discouraging the private investment sector, better co-ordination to overcome regional disparities, and a change of government.

Mr. Paproski: Hear, hear! They don't have the guts to pull the plug.

Mr. Crosbie: That's what we and the Canadian people want. The Liberal government's policy is to coast on the gut issues of mismanagement of the economy, unemployment, inflation and controls, while stepping on the pedal of national unity concerning Canada. I say we need new actors on the federal scene, new people sitting on your right-hand side, Mr. Speaker. Led by the hon. member for Rocky Mountain (Mr. Clark), we need a new group to take over the government of Canada. It would deal with the national unity issue on a proper foundation. We would see conciliation, not confrontation. We would see a real desire to solve our problems, not bluff. We would see not confrontation, which we see every week when one side slams the other, but serious discussions and a getting down to consideration of how we can keep Canada together and keep Canadians working so that they can live decent lives, feel they are wanted and needed, feel their lives are not useless, see they can do something and put their talents to it.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to support the motion. I am not surprised that not a single government supporter has risen so far to participate in the debate. After all, if people in increasing measure support the government because they think the government party is best able to deal with the issue of national unity—and if they are right or wrong is another question—why should the government involve itself in a debate on unemployment, which at present is of disastrous proportions, when that government does not intend to act?

According to the latest figures available for April, 914,000 people were unemployed across Canada. That is the largest number recorded as unemployed since Statistics Canada began keeping records. In April, 8.3 per cent of our work force, seasonally adjusted, was out of work. That percentage is a near record. According to a Department of Manpower and Immigration study the gist of which was released some days ago, unemployment will become worse, rather than better, in the next two years. According to estimates, instead of a national average of 7.3 per cent unemployment, seasonally adjusted, the figure will be 7.6 per cent.

I suggest these unemployment estimates are too low. I think many more people will be unemployed than the figures suggest. The extent of our unemployment was documented clearly by Mr. Wayne Cheveldayoff, writing in the *Globe and Mail* of Wednesday, May 11. He reports certain figures made available by Statistics Canada and other sources for the month of February. It is often said that unemployment is not as serious as some pretend because there are always unfilled job vacancies. He examined such claims.

Let me put on record some of his figures. For example, he shows that in Ontario, 316,000 were listed as officially unemployed. There were 15,000 job vacancies, which means that even if all jobs were filled, more than 300,000 people would remain unemployed. In Quebec, 303,000 were listed as officially unemployed. There were 9,000 job vacancies, which means that if all jobs were filled, 294,000 would still remain unemployed in that province. In British Columbia, 103,000 were listed as officially unemployed. There were 3,000 job vacancies, which means that 100,000 would still be unemployed if all vacancies were filled. I mention these provinces as examples to show how serious is our unemployment situation.

Those official figures do not include the tens of thousands, perhaps hundreds of thousands across this country who have given up looking for work because none is to be found; women who have stopped looking because there are no jobs; men in their forties and fifties who have lost hope of finding work because employers like to hire younger people who can better participate in pension plans. Therefore, I suggest between 8 per cent and 10 per cent of our people are unemployed. We argued for years that you could reduce unemployment by educating our people, by training them better to acquire new skills. We said if people are educated and skilled they can find jobs, for the unemployed are mainly the unskilled. The Winnipeg *Tribune* of Wednesday, May 4, 1977, had this to say on that question:

> A Statistics Canada report says there is a glut of university and community college educated students which will continue for the next 15 years—

In other words, the glut will continue until 1900. I continue quoting:

> The report . . . says young people leaving post-secondary schools until about 1990 will face grim employment prospects even if enrolment in those schools is curtailed . . .
>
> The labour force is becoming increasingly better educated. In 1966, one-quarter of all Ontario students leaving school had attended a university or community college, but by 1986 this figure will rise to 50 per cent.

Our country's young people are better educated than ever before. What has been the result? I wish to quote a few sentences from an editorial which appeared in today's *Globe and Mail*. It deals with one group of young people in whom we have invested a great deal of opportunity and a very substantial amount of money in order to educate them. I quote:

● (1620)

> According to Liberal leader Stuart Smith, as many as 5,000 teachers graduating in Ontario this year are not expected to find work as teachers . . .
>
> The cost of tuition for that final year is $5,000 per student (exactly double the cost of one year in an undergraduate arts program), of which the taxpayer contributes about $4,300.

They estimate what it costs the province of Ontario to educate these people for teacher training. The editorial continues:

> The surplus of teachers or the drought in jobs—no matter on which side the emphasis is placed—is not going to improve of its own . . .
>
> This year's class of unemployed teachers will be joined by next year's and by the following year's, on and on—all stacking up like airplanes above a steadily shrinking runway.

I did a small survey in my own city along the same lines. I called the president of the graduating class of the faculty of education of the University of Manitoba a few days ago. She told me that to the best of her knowledge two-thirds of this year's graduating class have not yet found a position. Now is the time when schools are hiring for next September. I called the president of the graduating class at the school of social work. I got the same story. To the best of her knowledge, two-thirds of the graduating class had not found jobs in the field of social work.

I also called the president of the graduating class of engineering students. He told me that those graduating in electrical engineering were doing very well and those graduating in mechanical engineering were doing well in terms of getting jobs. However, students graduating in civil engineering, a substantial percentage, have not yet found jobs. I talked to the president of the Red college, a very large institution. A substantial percentage of the students are there because the Department of Manpower is paying for their training courses. The community colleges were developed because we realized that a university education in a field such as the arts did not really equip young people to get jobs. The community colleges were developed at tremendous cost. Hundreds of millions of dollars went into building community colleges and expending our universities. Last year the federal contribution to post-secondary education was over $500 million.

The citizens of this country, as well as the federal parliament and provincial legislatures, encouraged these young people not to go into the labour force after completing high school, but to stay in our educational system. They were told to attend universities or community colleges where they could take Manpower training courses. It became almost an eleventh commandment: Improve your education. However, for these young people the prospects are grim.

I spoke to the secretary of the building trade council in Winnipeg. It takes in all the unions whose members work in the construction industry in the city of Winnipeg. Last year Winnipeg did relatively better in terms of construction than larger cities such as Toronto, Montreal and Vancouver.

Mr. Paproski: That is because you have a good mayor, Stephen Juba.

Mr. Orlikow: Whatever the reason, this is not the time to talk about that. In any event, Winnipeg did relatively better than the larger cities. This year the situation is grim. There is very little work.

Mr. Faulkner: Same mayor, same premier.

Mr. Orlikow: Despite very favourable weather, construction has not really begun. A large percentage of the construction workers in the province of Manitoba are unemployed. There are plants in Winnipeg which have had massive lay-offs of people. Some people with over 20 years seniority have been laid off. These are plants which produce agricultural implements, steel fabricating plants and steel erection plants. The situation in Winnipeg is the same as in every city, although Winnipeg does have a relatively low rate of unemployment as does the rest of the province of Manitoba.

A few moments ago I talked about the plight of our young people, our best educated people. We now have a situation where people in their forties and fifties are being laid off. These are people who have never been out of work; they have had the same job for years; never have they made a claim for unemployment insurance benefits. These people have no idea when, if ever they will be called back to work.

The minister may say there has been a rapid increase in population in Canada. That is true. He may say that in recent years we have had the largest increase in the number of people joining the labour force of any country in the western world. That is true. However, this government, at least since October, 1976, has believed that the problem of inflation is more serious than the problem of unemployment. On October 14, 1976, the Prime Minister (Mr. Trudeau) said that our inflation was a result of international external forces, and the way to deal with it was to adopt a program of restraint. That meant, and means, that federal, provincial and municipal governments must cut back on doing things which are in their areas of jurisdiction.

It sounds good to people when the government says that this year it is not going to provide "X" million dollars on programs. What they do not say when they make that kind of announcement is that "Y" number of people will be unemployed. For every million dollars governments do not spend, a certain number of people do not get jobs. That is why we have this large number of unemployed. Inflation is dealt with on the backs of the unemployed of this country: they are the ones who suffer the most.

We in the New Democratic Party believe that not only is full employment possible, but it is an absolute necessity if this country is to survive and if our young people are not to become completely disillusioned and embittered. I have said this before, and I repeat it today. It does not surprise me that a substantial number of the younger people, particularly the French-speaking younger people of Quebec should have turned to separatism as a solution to their problems. If you have between 12 per cent and 15 per cent unemployed among the most recent graduates of French-speaking universities and CEGEPs in Quebec, and you have a federal government which says, "There is nothing we can do for you; you are just going to have to suffer", it does not surprise me they should turn in increasing numbers to a party and to a government which has as its first objective the establishment of a separate state in Canada.

● (1630)

We do not believe that such unemployment is necessary. We believe we could get full employment. How? There is no easy way. There is no magic solution. There is no single solution. The first step would be a new budget with a cut in income tax particularly for people in the lower and middle income ranges. These are the people who really do not earn enough money to save. These are the people who, if they got a cut in their income tax, would spend the money on purchase of the goods and services they need, thereby creating more employment. We need a vastly extended program of capital works projects funded by federal, provincial and municipal governments. Sewer and water systems are needed.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but the time allotted to him has expired. Unless there is consent for him to continue, I shall have to call upon the minister. Is there consent?

Some hon. Members: Agreed.

Mr. Orlikow: I thank hon. members for their courtesy. I note that the sewage treatment system in Montreal is not to be completed until 1984 because of financial difficulty. I find it strange that though they were able to find well over $1 billion to complete the Olympics, they cannot find the money from any source to complete their sewage treatment system. They are still dumping raw sewage into the St. Lawrence River. Public transit systems need to be built up if we are to cut down the use of the private automobile and save costly fuel imports. Hospitals, parks, recreational facilities are all needed. The whole public housing program ought to be greatly expanded. A program to this end would put a large number of people back to work. We need to deal in a meaningful way with the repair and renovation of older houses in the core areas of our cities. These have deteriorated rapidly in recent years. People have left them and, as a result, school and recreational facilities are being left unused.

Then, as a matter of urgency, we should be taking measures to conserve energy. The National Energy Board has predicted a tremendous shortage within 10 to 15 years. We should begin, now, to do on a national scale what the government has already begun to do in a tentative way in the Atlantic provinces by embarking upon a major home insulation program. This would not only provide employment but would lead to the saving of a tremendous amount of energy. All these things could be done, given the will and the desire necessary. I hope the government will realize how wrong it has been in recent years and will inaugurate programs such as I have suggested so as to reduce the very large number of persons presently unemployed.

Hon. Judd Buchanan (Minister of Public Works): Mr. Speaker, I am pleased to respond to the motion on behalf of the government. The opposition motion advances the proposition which is clearly contradicted by the record of economic performance in Canada, a record of recovery from the recession afflicting all the western economies in 1973 and 1974, which is widely regarded by international economic commentators as being close to the best of any major industrial nation in recent years.

The Minister of Finance (Mr. Macdonald) recently tabled in the House the Economic Review for 1977. This document provides a very useful point of departure when assessing the performance of the Canadian economy—not in isolation, as hon. members opposite have all done today—but in the context of the international economy. The year 1976 marked a continuation of worldwide recovery from the most serious economic problems faced in over 30 years. For most of the major countries belonging to the Organization for Economic Co-operation and Development, the turning point from recession came early in 1975. The modest nature of the recovery reflects caution on the part of governments in stimulating demand in view of the underlying rates of inflation and a failure of investment spending to come forward at its traditional point in the expansion. Consumer prices in the OECD countries, after increasing 11.4 per cent on average in 1975, increased 8.6 per cent in 1976. At 7.5 per cent, Canada had the fourth lowest rate of increase, behind Switzerland, Germany and the United States.

Significant headway was made in slowing down the increases in prices and costs. While a large part of the improvement resulted from flat or declining food prices, prices of goods other than food also rose less rapidly in 1976. The year over year increase in the consumer price index in October, 1976, was 6.2 per cent. Personal disposable income rose less strongly in 1976 than in 1975, but the improved price performance resulted in a real gain of 3.2 per cent per person employed, almost equal to that achieved in 1975 and well in excess of the increase in total productivity. The rate of wage increases slowed significantly during 1976. In new settlements, the average increase in base rates over the life of the contract and during the first year of the agreement eased to 8.4 per cent and 9.9 per cent respectively by the fourth quarter of 1976, from the all-time high of 18.8 per cent and 22.4 per cent in the second quarter of 1975.

Canada's index of economic performance in March of 1977, according to the National Bureau of Economic Research, a highly respected research organization, was 67 per cent ahead of the situation at the start of the recession. Partly, this reflected the fact that Canada, as a result of deliberate policy initiatives taken by the government, had not plunged as far into recession as had our trading partners. It also reflected the considerable progress we have made in the past 24 months. Comparable figures for West Germany, France and the U.S. ranged between 2 per cent and 10 per cent. Italy, Japan and the United Kingdom have not, even yet, fully recovered the level of economic activity which they had experienced prior to the recession. This study, which was prepared in advance of the recent London summit, tries to summarize, in a single measure, the most important measures of aggregate economic activity such as income, output, employment, unemployment, sales, etc., and it shows that, relative to our trading partners, Canada has done very well. It is clear that Canada has made very significant progress in lowering our rate of inflation and the rate of wage settlements. The decline in our competitive position, particularly when compared to the U.S., has been significantly reduced and this is an essential precondition to sustained economic growth and improvement in the unemployment situation.

● (1640)

The Minister of Finance in his budget speech underlined the interrelated nature of inflation and unemployment. He emphasized the key importance of reducing inflation and controlling our costs. The anti-inflation program is achieving this result. The budget provided additional financial resources to the private sector which will encourage business enterprises to make the capital investments which are needed to create new jobs.

The unemployment figures will be reduced only by measures which deal with the real economic problems which face Canada and, indeed, all of our economic competitors. The federal government recognized this: this was the basis for the

anti-inflation program, for the stimulative measures provided in the budget, and for the direct employment measures, the Canada Works program and the Young Canada Works program outlined to the House by the Minister of Manpower and Immigration (Mr. Cullen).

The measures proposed in the budget will create employment, encourage investment and foster regional growth. They will improve the equity market and improve the cash flow of business as sources of funds for expansion. They will particularly help small business. They will help sustain consumer spending and provide further tax relief to Canadians with modest incomes.

On the investment side, the 5 per cent investment tax credit, which was due to expire June 30, was extended for three more years. This measure has been very important for our manufacturing and processing industries. The scope of the investment tax credit was broadened to make eligible capital and operating expenditures on scientific research and development. To provide additional assistance to slow-growth regions the rate of the investment tax credit was raised to 7½ per cent in Saskatchewan, Manitoba, northern Ontario and designated regions in Quebec. For the Gaspé and the Atlantic provinces the rate was raised to 10 per cent. A number of measures were introduced to improve the market for equity investments. These measures, the most important of which was a major increase in the dividend tax credit, are estimated to provide tax relief of $300 million and should greatly increase the flow of funds available for business expansion.

In the recent budget the federal government continued its efforts to improve the position of small and medium-sized business. In addition to the investment tax credit measures and the dividend tax credit measures already mentioned, the Minister of Finance introduced a number of technical amendments which will prove of great assistance to small business and are designed to allow key employees to participate in such business.

On the personal income tax side, in addition to the indexing of the personal tax system which occurs automatically at the start of each year measures were introduced in the budget to provide extra deductions against federal tax payable. These measures are valued at almost $400 million in 1977. These budget measures provide a strong boost to the economy and will certainly result in additional jobs.

On May 7 and May 8, Canada, together with the United States, the United Kingdom, France, Germany, Japan and Italy took part in the economic summit in London. The Prime Minister (Mr. Trudeau) and the Minister of Finance emphasized the critical importance of dealing in a systematic and co-ordinated way with the economic problems facing the western world. This approach was welcomed by all the leaders present and provided the basis for the Downing Street declaration which was issued following the summit. I would like to quote a few sentences from that declaration because they summarize the approach being taken by Canada and our western allies toward solving the economic challenges before us:

[Mr. Buchanan.]

The world economy has to be seen as a whole—

That is a point which, as I suggested earlier, seems to have eluded our colleagues opposite.

—it involves not only co-operation among national government but also strengthening appropriate international organizations. We were reinforced in our awareness of the interrelationship of all the issues before us, as well as our interdependence. We are determined to respond collectively to the challenges of the future.

Our most urgent task is to create more jobs while continuing to reduce inflation. Inflation does not reduce unemployment. On the contrary, it is one of its major causes. We are particularly concerned about the problem of unemployment among young people.

We commit our governments to stated economic growth targets or to stabilisation policies which, taken as whole, should provide a basis for sustained non-inflationary growth.

We will provide strong political leadership to expand opportunities for trade to strengthen the open international trading system, which will increase job opportunities. We reject protectionism: it would foster unemployment, increase inflation and undermine the welfare of our peoples.

The message of the Downing Street summit is thus one of confidence:

—in the continuing strength of our societies and proven democratic principles that give them vitality;

—that we are undertaking the measures needed to overcome problems and achieve a more prosperous future.

This is the way responsible governments face up to economic challenges, Mr. Speaker. This is the way responsible governments solve economic problems. I suggest it provides a more useful approach than the pious and, in many ways, erroneous motion put before the House today.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, first of all, I wish to congratulate the mover of this motion, the hon. member for Lotbinière (Mr. Fortin), and judging from the support from the other opposition parties, we could say he hit the target.

Mr. Speaker, talking about inflation, unemployment and poverty has been a constant practice for several years. One can see it everyday in the newspapers, as well as on television and radio. So, we are not saying anything new when bringing up those issues in this House on behalf of our constituents and all Canadians, regardless of their language, religion, nationality, age, sex, whether they are the minority or the majority, rich or poor. Everyone suffers from inflation, unemployment and poverty in a country with such a high economic potential and gross national products.

● (1650)

We know that Canada's gross national product is $190 billion, or an average of $8,300 per person, one of the highest averages in the world. Therefore, how is it that so many people suffer hardships, poverty, unemployment and lack the necessities of life? I ask the question, but I know the answer. Even if the production is great, the cause of all our ills is poor distribution of this production. From an economic standpoint, this poor distribution is caused by the government's lack of foresight, since it has all legislative powers concerning money,

currency, credit, banks, money supply, interest rates and unemployment insurance. All these legislative powers that are under the jurisdiction of the federal government are clearly specified in the British North America Act which has been considered as the Canadian constitution since 1867, that is for over 110 years.

Mr. Speaker, before changing this constitution, would it not be of the utmost importance to allow it to play its full role within the framework which we are used? The federal government has the responsibility for all things concerning trade and commerce, the raising of money by any mode or system of taxation, the borrowing of money on the public credit, currency and coinage, banking, the incorporation of banks, the issue of paper money, interest and unemployment insurance. Those are the legislative powers of the government of Canada with regard to economy. The government of Canada must therefore feel responsible for the unfair distribution of the wonderful production of Canadians, whatever their language, as I said a moment ago, their religion, nationality and political affiliation, regardless of whether they belong to the majority or the minority.

The "fine" average production of $8,300 per capita does not say much about the farmer, the family head with a low or middle income, the housewife who stays at home without any wage, the student and the child. Where is the surplus which the great majority of people lack to enjoy a pleasant and honest life? Do we have any idea? The *Gazette* of Canada tells us in its informative pages: Over the last five months, the 11 chartered banks of Canada have raised the value of their assets from $121 billion to $133 billion, an increase of $12 billion, and this, after having increased it by $16 billion the year before. If this rate remains the same over the next 12 months, our banks will increase the value of their assets by more than $25 billion, while our country will operate on a deficit which according to the estimates of our honourable friend, the Minister of Finance (Mr. Macdonald), will reach some $7 billion.

In spite of this deficit our government feels prosperous enough to sacrifice $250 million in receivable accounts owed by the so-called poor countries, or Third World countries. Is that not going to increase our deficit for the current year? Is that good administration? Why should the debts run up by our municipalities, our school boards, the Olympics in Montreal and others not be paid this way too? That would surely lighten the taxpayer's burden.

So, Mr. Speaker, in view of the government's carelessness in providing for a sound economy or a fair distribution of the national production among all citizens, how could Canadians be happy with inflation, unemployment or poverty resulting from the carelessness, the negligence and the lack of foresight shown by this incompetent government? True, this sad situation is rather generalized, even worldwide. But is that a reason to neglect to apply the remedies we see within our reach?

All economic summits seek to encourage production and growth of the means of production through the institutions which derive profit from the work and the business done by the workers. While those institutions grow and prosper, workers, Canadian citizens are poorer and the quality of life is everywhere on the decline. Must we get discouraged and let everything go adrift? Is the challenge above human ability? Must we call upon the heavens to help us? The answer is quite simple: Whatever our monetary system may be, what can be produced can also be distributed, and in a better way, for the benefit of every Canadian rather than a small group, of rich, knowledgeable and qualified citizens. Is it not a fact that the talents of the mighty must benefit everyone?

Mr. Speaker, the time has come for everyone of us at all levels of our major institutions, up to and including our government, to open our eyes to the obvious economic needs of our citizens, which is a basic ingredient to any administration of organized society, made up of all citizens in this country. This is a matter of administration, economics and political science, but all this boils down to a question of money, of figures, in other words accounting, sensible technical formulas leading to the goal, to the end pursued. Production's primary aim is to supply consumption. Profit can only come second. The Prime Minister must know that first for himself and then for each and every Canadian, for each and every Canadian family starting from the smallest, because the biggest are always in a better position to fend for themselves and manage.

We are living in an age of great affluence, and nobody must be restricted in his legitimate expectations so long as we are in an overproduction situation. It has been proved that Canadians are capable of producing when required. There is no shortage in our stores. Despite an unemployment rate bordering on 20 per cent in some areas, we, Canadians, have proved that with a reduced manpower we are capable of producing at will.

It is always more tempting to work and legislate by millions and billions rather than dollars and cents, especially when it comes to small people, the everyday life and trade of the Canadian individual and his family. All research conducted by scientists, experts, economists and scholars is generally at the level of private and public institutions, whether industrial, commercial, professional or labour, wherein the aim is to constantly promote the production of goods and services. No attention is paid to individual consumption, especially within families. Economic status and adequate treatment in terms of compensation, personal wages, only go to the working citizen. No consideration is given to the family *per se*.

● (1700)

Yet, the family is the first natural institution based on kinship, love and nature, whereas other societies are established by citizens, but for private interests which are secondary or artificial or for monetary, economic or political interests. Money comes before both man and the quality of life. The institution comes before both the person and the family. Companies thrive while families are jeopardized. Man forgets his dignity because of money. This is the point on which the experts and the scientists must agree in order to establish a new technical formula which would restore an economic balance among all citizens and check or at least reduce inflation, unemployment and poverty.

We often hear about the right to live. Isn't it the basic right of each citizen of a country? And if the right to live is the basic right, then it is the prime responsibility of the central government of a country. Even before having the right to a job and a salary, before having the right to capital and interest, each citizen must first be alive and healthy, because a corpse can have neither work nor capital. But this right to live means a guaranteed personal income for each citizen, whether this guaranteed personal income is derived from earnings, from interest on capital or from his personal vital right directly paid to him by the federal government, the only one responsible for distributing money at all levels of our social life, financial, economic and political, in all the provinces of the country.

Mr. Speaker, after having established that inflation, unemployment and poverty result from the national economic imbalance for which the legislative powers of the central government are solely responsible under our Canadian constitution, it remains to demonstrate that the situation is not hopeless, that we still can be optimistic and that it would be possible and indeed very easy, especially in Canada, and in 1977, to restore an economic balance among the various classes of society through better tax distribution, in order to ensure the security and the development of our institutions and the future of our citizens.

Let us sum up the situation in order to find some specific remedial measures that the present government must and can apply to our economy within the existing and regular framework of our monetary, economic and political systems, without changing or disrupting our structures.

Today, heads of families and single persons get equal pay for equal work. Today, mothers receive no salary for their maternal care and domestic work. Today, children and students cost of lot of money but have no regular personal income. Today, companies make enormous profits but pay less taxes than organized workers. Let us consider these four points and see how easy it would be to remedy this situation and strike a better economic balance. When citizens pay $5 in taxes, corporations pay only $1. The government collects the total of $6. All this should be changed so that individuals would pay $3 as well as corporations. With a 40 per cent tax cut on personal income, corporations would only pay their fair share of taxes. Assuming that the 10,000,000 workers in the Canadian labour force earn an adequate income, proportionate to their contribution to the production of goods and services, the fact is that dependants without work or capital, which number almost 13,000,000, must be taken into account as they have a right to live and must receive a guaranteed personal income based on their basic essential needs.

From then on, Mr. Speaker, housewives who stay at home, to raise their family, children and students would get their guaranteed personal income on honorable terms and at reasonable rates as a personal vital right and no more as charity, alimony, unemployment insurance, alms or social welfare. In Canada, we have no poor, we only have people who have been denied their rights to life, in terms of a legitimate participation in national production, in Canadian and world natural resources and in all aspects of national and international trade.

All of you have greatly contributed to the study of our economic situation. I realize that I am putting forward new precisions and a new way to deal with inflation and unemployment, but I am also convinced that I have said nothing you have not heard before. I am not swaying away from the free enterprise principles which you are all familiar with and you would be surprised to hear that those precise techniques which I am advocating now, are a practical application of the great sharing law which was expounded by the great economist of world-wide reputation, Lord John Maynard Keynes, who addressed himself to the governments of various countries in the following terms: "Governments must make every effort to insure full employment through revenue redistribution, thereby giving consumers a purchasing power in keeping with the development of the production potential". That British economist and businessman who died in 1946, is still quoted in every western country, and taught many students in major English and American universities. The more we think over that balanced distribution law formulated by Keynes, between capital and consumption needs, the better we realize that the suggestions I am making here are perfectly consistent with that law of economic balance and harmony. It is the logic and common sense of the great economist Keynes that I tried to bring to you, to the best of my ability.

Mr. Gilles Marceau (Lapointe): Mr. Speaker, somebody once said that we do not know what tomorrow holds. If I knew the name of this man and if he were still alive, I would probably invite him to come and attend a few debates in the House of Commons and he would quickly change his saying for "we always know what tomorrow holds". The more I listen to my friends opposite, the more I find that the least we can say is that there is a lack of originality in their remarks.

If I try to remember what I have heard this afternoon and the remarks of hon. members I have listened to, I cannot find any constructive and innovative suggestion. First, I was very disappointed by the remarks of our new colleague, the hon. member for Témiscamingue (Mr. Caouette) who, on his first day in this House, did nothing else than make general and easy charges against the government. I would have thought that, with so likeable a leader, he would have understood that it is not with general charges and overall judgment on this government that we are going to solve the unemployment problem.

● (1710)

It is agreed, and I readily concur, that those who are in power have a clear responsibility for the problems we are facing whether they have to do with inflation, unemployment, social climate or national unity. Far from me the idea of exonerating the government or suggesting that it is entirely blameless and not partly responsible for current problems. However, Mr. Speaker, I think that if we want to provide solutions and if we are serious when on one side of the House or the other we maintain that we are aware of the fact that those who now experience difficulties are not members of the

House but people in general, especially the underprivileged. If we are serious when making such statements, I think the first thing to do, with the co-operation of members of the House from any area, is to try to solve that serious situation. I am in a position to make such a statement since I know that my riding of Lapointe is home to an unacceptable number of unemployed. There are underprivileged people who must experience almost insuperable difficulties caused by inflation. That situation is most regrettable and it prevails throughout Quebec, Canada, in fact, the whole world. If we look at the situation in Canada as compared with other countries around the world, I think we must recognize that, all in all, it is not as bad as that of many other countries.

Mr. Speaker, we have unemployment in Canada, but there are several reasons for it. Since I am particularly interested in that problem, like many of my colleagues, I have had occasion to realize that there exists a considerable, serious and worrisome discrepancy between the courses that are given and the courses organized by the manpower centres. Let me explain myself. It often happens, Mr. Speaker, that Manpower Canada buys courses from the provincial government and limits itself to simply buying so many slots in the courses given by the provincial governments. It seems there is a lack of coordination between the two levels of government, and that the people who take the courses, once they have completed them and obtained their certificate, cannot get jobs corresponding to the training received.

Mr. Speaker, we can see in the papers that a lot of jobs are being offered and we cannot figure out how come there is a very high unemployment rate on the one hand and positions which cannot apparently be filled on the other. It is a situation we have often noticed, not in isolated areas such as ours of course where employment is rather restrictive, but in other regions. And I wonder, Mr. Speaker, if special attention should not be given by the two levels of government to coordinating their operations so that those who are taking training courses at any level of specialization and who are entering the labour market could find challenging opportunities to join the labour force and find a way to earn their living. Knowing the Minister of Manpower and Immigration (Mr. Cullen), I can say he is conscious of those problems and I have no intention whatsoever of blaming him for this situation but I would invite him and his officials to look into that matter which seems serious and whose solution might help cut down the unemployment that we are unfortunately faced with.

Mr. Speaker, today's motion blames the government for doing nothing or not showing any leadership when it comes to unemployment and inflation. Of course, I want to protest against this statement which is, in my opinion, much too general. I can say the situation has improved since I first became the member for Lapointe. I remember 1968, Mr. Speaker, when the unemployment rate was high and when there were not any concrete programs to assist unemployed people living in outlying areas.

Of course, the general policy of investing in large cities like Montreal, Quebec or others has always been applied by governments since they consider these important cities are the motors and that investment must be made there to keep the general economy of provinces growing. But it was realized in recent years that to ensure the development of important centres, it was also necessary to assist people living in the vicinity. For these people are entitled to live outside large centres and if they all decided to live in great cities, there would be serious environment problems and the quality of life would even be worse than it is today. Since then the government has established programs to help unemployed people in slow-growth areas. The Local Initiatives Program, Mr. Speaker, even if in fact it exists, must only be considered as an incomplete measure which nevertheless helps in some practical and concrete way to solve the unemployment problem.

● (1720)

I would like to express my unconditional support to the principle of those programmes, which provide for substantial investments into remote or rural areas in order to help ease the unemployment situation prevailing there.

Mr. Speaker, these programmes have developed in the right direction. I remember a few years ago, these programmes were package deals devised for those regions without regards to the specific problems affecting each constituency. The money, for example, for Opportunity for Youth, the then Local Initiatives Programme, was given to a region as a whole, and the MPS from these regions had a hard time allocating the funds. Nevertheless, Mr. Speaker, we have to admit over the last few years, the new programmes have taken into consideration the needs of the constituencies and the fact that the federal representatives of a riding were able, as worthwhile representatives of their constituents, to ascertain the local needs that were to be met. That is why these monies were re-distributed within the constituencies.

Mr. Speaker, I believe that this move towards decentralization, which is often referred to extremely vaguely, represents in the case of these programs a practical and useful solution which should be accelerated and intensified rather than replaced by large programs which, as I said earlier, have a tendency to benefit exclusively major centres, to the disadvantage of cities outside metropoles.

Mr. Speaker, if I may, I would like to say a few words about the contribution of the Progressive Conservative member for St. John's West (Mr. Crosbie) who took it upon himself earlier to make a judgment on the situation in Quebec. I did not ask him, but I would be curious to know when he visited Quebec, whom he talked to and how long he stayed to be able to make such a rash judgment. I will not make any judgment about what is going on in Newfoundland because I do not feel qualified to do so. I would have liked it better if he had had the wisdom and the intelligence not to make such a definitive judgment as to say that if there are problems in Quebec at the present time, only the federal government is to blame. Mr. Speaker, I believe that this judgment is false and pernicious and gives a completely inaccurate picture of the situation.

Mr. Speaker, the situation in Quebec is not easy to determine, and when someone wants to make a judgment, I believe he must have the wisdom and the intelligence to see that the fact of blaming one group is to show a lack of understanding. It would be just as absurd to say that it is the fault of the Progressive Conservatives, the New Democrats, the Social Crediters or the government. All these politically biased judgments are dangerous because they leave people with the impression that only the governments or the members of parliament are able to find solutions to problems as serious as those we are now facing in Quebec.

The social climate in Quebec is an issue which dates back several years ago, and if the hon. member for St. John's West (Mr. Crosbie) who spoke earlier were to come to Quebec to meet the Quebecers and tell them he is ready to accept them as first class citizens with their own language and culture, I think it would be a more positive attitude because I do not hesitate to tell my English-speaking colleagues on both sides of this House that not only I respect them but that I am ready to accept their language and culture. I think this attitude is definitely a positive one. It tends to demonstrate that as a French-speaking Canadian, I am ready to make an effort to sit down with them at the same table in an attempt to deal with, in a spirit of brotherhood, friendship and mutual understanding, the problems we are now facing and which we all want to solve.

In Quebec, there are housing problems, and the federal government has offered a $90 million housing grant to the province of Quebec. Quebec has not yet accepted that grant because the money comes from the federal government. All kinds of reasons are invoked. In the meantime, people suffer from a lack of housing because it has not been possible to come to an agreement at the higher level. In spite of divergent opinions, it has not been possible to work out a compromise such as the agreement reached by the Minister of Manpower and Immigration (Mr. Cullen) and Mr. Couture from Quebec. The Minister of Manpower and Immigration is to be commended for coming to an arrangement and working out a solution with Mr. Couture. Solutions can be found, but it is not always easy. I urge the members of this House to start seeking a solution to our problems not only in Quebec but across Canada. I think it is possible and I am sure that we can do it together.

Mr. Roch La Salle (Joliette): Mr. Speaker, I know there are only 30 minutes left and that my colleagues from Lotbinière (Mr. Fortin) intends to take the floor so I shall be very pleased to share the rest of the time with him.

Of course, I wish to make a few remarks on the motion before us which I find very timely. But first I shall comment on the remarks of my colleague, the hon. member for Lapointe (Mr. Marceau) who called for objectivity. I think he is right. It is urgent that the House take the time to discuss the issues in all objectivity. Like him I think it is urgent to be more open-minded about the present problems and the present economic context. I think he is as aware as I am of the importance—particularly in Quebec, since we come from the same province—of restoring a sound economic climate and to do it urgently to demonstrate to the people of Quebec it is possible to achieve legitimate aspirations without going beyond the constitutional framework. Should we give it the flexibility I think everybody wishes? Should we also conceive in some cases a new consultation mechanism?

• (1730)

I noted yesterday, for example, Mr. Speaker, that the Minister of Recreation and Sport at the the Winnipeg conference pointed out or rather criticized the federal grants because they hindered their planning in the recreational field. He referred to Opportunities for Youth which has become Young Canada Works, the New Horizons program, etc.

What is important, Mr. Speaker, is surely not to blame the government for its generosity but to ask for further assistance in order to set up new mechanisms for consultation if necessary. Perhaps there were no adequate prior negotiations with the provinces. I therefore urge the minister responsible for the programs to enter into a more realistic dialogue with the responsible provincial ministers, especially in Quebec, to see that federal subsidies do not go against the interests of the provinces. No member opposite nor any government member would support lower grants to the provinces.

But I believe that we are also promoting national unity, since this subject is constantly cropping up, and that we are of course aware of the respect that we owe to the planning of provincial programs. This could be the root cause of the whole problem, that is the attitude or the implementation of the present federalism which has irritated many Canadians and many provinces and is consequently giving rise to certain problems concerning national unity.

Of course, I congratulate the members of the Social Credit Party of Canada, and I take this opportunity to congratulate the new member for Témiscamingue (Mr. Caouette). If he was elected, Mr. Speaker, I had nothing to do with it, and in all honesty, I must congratulate him and wish him much success in the House in the best interests of his voters. I should like to quote the motion:

> That this House regrets the lack of foresight and leadership of the Government in the management of State affairs, particularly in view of the fact that it deliberately permits the worsening of inflation . . .

"Deliberately" is perhaps an overstatement, because I do not think the government deliberately wants to create problems for the provinces or the citizens, but as representatives of the people and members of the opposition, it still remains that we have the responsibility to denounce the government for its failure to take some action or measures likely to solve our present problems. In my opinion, this is not a criticism that should be brushed aside, as it is our job to make it. I continue the quotation:

> . . . which directly leads to a very marked deterioration of the social climate . . .

It is certain, Mr. Speaker, that there is a real danger. If my memory serves me right, the chairman of the Canadian Labour Congress said recently that maintaining the 40 per cent of the 1,000,000 unemployed who are between 18 and 24

could create an explosive and dangerous climate. There is no doubt about this and I believe that no member of this House would doubt it. There had been talk of eliminating regional disparities, that is of correcting them. We have not succeeded in doing so. Indeed, not only Quebec is not alone in making representations and showing its discontent. The problems that we are now facing make the provinces wonder if it is not precisely the present federalist system that is creating such blatant inequities in certain areas.

Once again, we ask the Minister of Regional Economic Expansion (Mr. Lessard) to take new steps to help for example the most disadvantaged areas, the most disadvantaged provinces, and we ask this government to make the extraordinary effort under the circumstances to increase its cooperation with the province of Quebec and with all other provinces.

The issue of immigration was raised not long ago. I think the federal government, in view of the fact that provincial aspirations are as different as they can be, had to review its agreements with the provinces, whether on immigration or on economic affairs since immigration has a direct impact on the social level, and I was myself very happy to note that the federal minister has accepted to negotiate changes that may hopefully satisfy a province which happens to be our own, without for that matter denying other provinces which might want them, those very same rights and privileges.

In my opinion, this is a positive attitude. I insist on this because I feel it would be unfair on our part to level only unwarranted criticism against the government. The government is certainly trying. I repeat that it has not done enough up to now in certain areas, but who can blame us for asking the government to do more to try and solve the problems we are faced with. As a matter of fact, Mr. Speaker, I have just returned from a meeting with representatives of the Poultry Producers' Association, people from my constituency, representatives on the provincial level of the Agricultural Producers' Union, who are anxious to see the Government set up a chicken broiler and poultry meat marketing board. We know that the Minister of Agriculture (Mr. Whelan) is in favour of this and we are glad.

On the other hand, these people have met with hon. members on the government side and the minister has been saying for the past three weeks that he will propose this legislation to the Cabinet, but we know that the Minister of Consumer and Corporate Affairs (Mr. Abbott) is not quite in favour of it, supposedly because he wants to protect Canadian consumers. However, Mr. Speaker, we all know that the agricultural industry is going bankrupt, that consumers are not really protected. We are convinced that in the long run procrastination on the part of the government is harmful to the farming industry. If for political reasons the Minister of Consumer and Corporate Affairs wants consumers to think he is protecting them by letting our business move abroad and, by doing so, placing us in the hands of foreign producers, and at what cost, I think that is not honest.

I urge the Minister of Agriculture who is in favour of that marketing board if he knows why he did not bring it before cabinet, I urge members on the government side to impress upon him the need to introduce this bill as soon as possible and I urge all members of the House to show the Minister of Consumers and Corporate Affairs that he is doing a disservice to consumers by letting a vital and important industry in our economy deteriorate. I think those things must be said. I said it I think without bitterness. I believe that is important, and I just heard from a valid source of information. Today the representatives of that association and the UPA met with government members, who are very receptive to their demands.

The Minister of Agriculture has been telling us for three weeks that he is going to sort things out, and even we on this side think—and if that is wrong I hope the Minister of Consumer and Corporate Affairs will tell us tomorrow because I think we will have an opportunity to question him—we think somebody is holding back. For once it is not the Minister of Agriculture but somebody is holding back and I think the government party must act quickly and in the interest of consumers because if that industry starts going down—as the textile industry did—as a result of a philosophy called the free trade policy, well again the consumer is going to pay for it, and that might very well add to the number of unemployed. It seems to me we have enough of those, and I would never believe that, in a situation such as the one we are experiencing, this government would deliberately leave idle a whole generation of youths aged 18 to 24.

So, Mr. Speaker, I think we must congratulate the sponsor of the motion because that allows us to remind members of the problems we are faced with. I do not want to criticize the remarks that were made—unfortunately, I had to leave during the first speeches because, as many others, I had certain responsibilities—but I wanted to participate in this debate, coming from a province where the rate of unemployment is hurting us, coming from a province where we have been looking forward to a real dialogue with the federal government for long time. If I may be permitted I expect from the federal government and its authorities nearly unlimited understanding in the present context to help bring about that national harmony because we are all concerned about what will happen tomorrow. I do think we all wish that those marked differences we are witnessing all across Canada will finally be recognized, understood, and I think then we can reach a certain harmony.

• (1740)

I am one of those who believe that with a new constitutional agreement and new mechanisms it would be possible to have more useful and more human negotiations than those we have held so far and, more important, negotiations which would not be of a partisan or political nature. I think we can look up to the future with much optimism but again, as the hon. member for Lapointe (Mr. Marceau) pointed out, we shall not do it with a partisan attitude but rather through objective statements. While we are seeking objectivity, I would like such an attitude to be evident throughout this House in the interest of Quebecers, of Canadians but again we cannot avoid the responsibility of insisting that the government implement

improved measures when we are faced with a difficult situation.

Mr. Speaker, since the motion has been introduced by the Social Credit Party of Canada, I am glad I was given the opportunity to make a few remarks and of course would not want to deny to an hon. member of that party and to their leader, the hon. member for Lotbinière (Mr. Fortin), the chance to take part in the debate. Therefore, I will limit myself to these few remarks in which I have tried to be objective and I will thus let the hon. member for Lotbinière close the debate.

Mr. Deputy Speaker: Order. With the permission of the hon. member for Lotbinière (Mr. Fortin), I would inform him that under Standing Order 37 he is allowed to reply at this time. According to Beauchesne's Citation 166 (4), when someone introduces a motion as the hon. member did, even though he yielded to the hon. member for Témiscamingue (Mr. Caouette), he is still considered as having had the floor. Therefore, if I recognize him now, I would allow to reply and if he cannot use the 18 or 20 minutes left to him, the debate would end anyhow.

The hon. member for Lotbinière (Mr. Fortin) has the floor.

Mr. André Fortin (Lotbinière): I wish to thank you, Mr. Speaker, for your courtesy. This will give me and my colleague from Joliette (Mr. La Salle) who has just pointed out the fact that we have to share the few remaining minutes, the opportunity to speak on this motion. The reason why I gave the floor to the hon. member for Témiscamingue (Mr. Caouette) was to give him his first opportunity to take part in the debates of this House.

Mr. Speaker, this motion will surely irritate some members who believe that the present government has taken an excellent approach to the economical problems facing Canadians today. As for me, I believe that this motion deals with the roots of our problems which is the social climate that prevails in Canada and particularly in Quebec and which has become a source of friction, an expression of misunderstanding and a clear symptom, in some cases, of a tendency to split the country. Our country, Mr. Speaker, is presently experiencing the highest unemployment rate and the most acute constitutional dispute in its history and these two things are happening at a time when the government is still fighting inflation.

In the few minutes that I have left, I would like to elaborate on these three points and express our deep conviction that this government lacks the sense of leadership and innovation that is really needed to face the future. Its fight against inflation has not prevented rising costs in housing, nor has this controversial law and its commission prevented a petrol price increase. Food prices kept rising as well, and so have interest rates in Canada.

● (1750)

Concerning the fight against inflation, through the same publicity which was used in the by-elections, the government is trying to make people believe that it was successful in controlling the profits of some companies. That, Mr. Speaker, does not impress me because lower and middle class taxpayers had to face an ever increasing cost of living while a ceiling was imposed on their wages.

In my opinion, those anti-inflation measures have been a failure at that level. If we go back to the beginning, we can remember that in a speech by the Prime Minister the government had invited every Canadian to join the fight against international inflation. But, Mr. Speaker, Canadians did not. One has only to consider the tensions created by the government with labour in general to realize in all objectivity—as we were urged to do by the hon. member for Lapointe (Mr. Marceau) and the hon. member for Joliette (Mr. La Salle)—that the fight against inflation generally has been done at the expense of poorer people. The fight against inflation which has become a very high priority for the government has been carried out by increasing our unemployment rate, because in its wisdom and its economic orthodoxy the government said, as some members of this House will recall, that it was impossible to fight both inflation and unemployment at the same time.

The basic policy choice at that time was to fight inflation while trying to lessen as much as possible the secondary effects on unemployment, and that is really what we were told here in the last two budget speeches. Mr. Speaker, the present rate of unemployment in Canada—and in this respect I agree with the hon. member of Lapointe when he talks about training courses—particularly affects our young people, for they make up the bulk of the unemployed. That is why unemployment is particularly serious. Mr. Speaker, the fight against inflation has led directly to unemployment. Why? Because in the long run it has curtailed investments. Secondly, by curtailing investments it has forced consumers to look for the best quality possible, at the best price available. And so, we see, on looking at the statistics, not of our party but of Statistics Canada, that since the start of the fight against inflation the rate of imports of staple commodities, such as clothing and footwear, has increased in Canada. And that, because the demand has gone up. Actually, consumers wanted the best prices possible, because, on the one hand, a ceiling was put on salary increases, and on the other, the necessities of life such as housing, food, clothing went without price controls, as they still do.

That is why, Mr. Speaker, after a while we are faced with an alarming, not to say discouraging, rate of unemployment. The hon. member for Lapointe, whom I congratulate for his honesty, has recognized that in his riding that rate is, to quote him, unacceptable. I think all hon. members will admit that the very same situation prevails. Because of what I have explained, unemployment is felt even more in the processing area such as the textile and furniture industries. So, Mr. Speaker, that explains our first proposal. The hon. member for Lapointe said a while ago that unfortunately, the Social Credit members are not making any new proposals. I have always thought that a proposal is not necessarily good only if it is something new.

Yet, it has often been repeated in this House that it is time, it is even urgent that our tariffs, our laws and regulations governing imports were comprehensively and exhaustively reviewed in every sector. I need only refer to the position taken

in Washington a few days ago concerning textiles. Our Minister of Industry, Trade and Commerce (Mr. Chrétien), for whom I have great respect but whose managerial skills deserve little praise, assuming of course that he is truly serving Canada's interests, suggested in a press release a few days ago that he is finally accepting the restrictions now coming from the United States. And so it is that at home, in my own town, industries like the Robin Brothers and the Utex Corporation with job capacities of 1,000 and over, will soon wake up with an unemployment rate where production will be 30 per cent below capacity, precisely because we have no economic leadership in this country. We have no industrial strategy, neither short nor medium-term, let alone a long-term one.

We already held an opposition day on this subject and we must come back to it, because what will cause Canada's breakup, if this ever happens, are economic rather than linguistic or constitutional issues. We are told that Créditistes have no new proposals. What kind of proposals does the government have to check unemployment? Forgetting the late Opportunities for Youth program that was quite similar to the Young Canada Works program, forgetting the Canada Works program which anyway succeeded the late LIP program, and in the final analysis there is not much difference between the two, basically the government is only putting forward rehashed temporary make-work measures in the services area, while unemployment is competing with employment, while all the medium business community is neither encouraged nor helped.

I am in agreement with the previous speaker that our major problems can only be solved if we, in this House, put forward objective and impartial views. Let us assume that the hon. member for Lapointe (M. Marceau), the hon. member for Joliette (M. LaSalle) and myself got together and invested our capital in a Canadian company. By the end of the year, we would be penalized by the capital gains tax, we would be penalized in our own tax returns, and finally, few Canadians are encouraged to invest in those conditions. It is the opposite. Consumer credit has increased more than ever and the collective debt of both individuals and municipalities or provinces has increased continuously. The public debt has doubled since the present government came into power eight years ago.

One day we shall have to pay back those loans and the accrued interests. In order to do so, we shall have to tax the people even more, those very people who are out of work and whose purchasing power is eroded because of the inflation which this government has failed to wrestle to the ground. This is why, Mr. Speaker, we say in this motion, but not in a partisan way, that this government has lacked and is still lacking in leadership. This is why we put this motion forward today. Before and during the recent by-elections, the government candidates said: Vote Liberal. We will give a new impetus to the economy. This is what our Prime Minister said, as reported in a newspaper: The May 24 by-elections are important for our future. It is time to ensure the development of our economy. We all agree on this point. It is time to promote Canadian unity. There again, we all agree on this point. The Prime Minister should understand it and stop needling the Quebec government every night on the news. It is time, according to the Prime Minister, to work more than ever for the future of all Canadians. On May 24, let us vote Liberal.

This is what we hear from the government. There is no suggestion for solving the unemployment problem, Mr. Speaker. Before the recent elections, this government was in power and we had over one million and a few thousand unemployed in Canada. Now that the elections are over, we are just about at the same point where we were at the time of the general election of 1974; now that the same government is still in power, Mr. Speaker, we are again waiting for solutions to the unemployment problem in Canada.

When I listen to the premiers of British Columbia, Alberta, Manitoba, Saskatchewan, Quebec or of the Atlantic provinces, I find a will to live together, a will to build a great country. I find a will to participate more actively in the development of this country, to sit down at the same table and to discuss the appropriate ways of building such a country. We must absolutely innovate in this area and stop saying that because a solution is advocated by the Progressive Conservatives, the Liberals, the New Democratic Party or the Social Credit, it is ridiculous.

In concluding, Mr. Speaker, as I said this government has no short, medium or long term industrial strategy not only to give a new impetus to our economy but to allow as many Canadians as possible to take a real part in the process. And as long as this government has no such strategy, it will not be able to do so alone, for Canada does not belong to the Liberal party: it will have to do so in collaboration, as was said earlier by the hon. member for Joliette (Mr. La Salle) and the hon. member for Lapointe (Mr. Marceau). The government should not ask us to be objective for the sole purpose of preventing us from criticizing, and then take decisions which ignore the proposals made by opposition parties.

Mr. Speaker, we have specific proposals to make. The economic recovery is an important one. Eventually, the Unemployment Insurance Act will have to be revised completely so that our unemployment people will no longer act like robots when looking for jobs that do not exist. As my colleague for Témiscamingue was saying, there are about 300,000 jobs available now in Canada, but there are one million unemployed people, roughly speaking, who are forced under the law to look for jobs three times a week, which makes three million people a week or 160 million a year looking for jobs, Mr. Speaker. We should not go crazy in this country and force people to look for jobs which do not exist. Unemployment is going to cost us this year more than $1 billion over and above the costs of an all pervasive bureaucracy. Once again, this leads to collective disgust for the government, and to the deep feeling that the Canadian people do not participate in the economy of their country. And I ask the hon. member for Lapointe, as well as the others, when they go back to their riding, to talk to the unemployed and to ask them what feeling of participation they have, if any. On the contrary, and I hope

you will forgive me the expression, Mr. Speaker, it seems that people are generally deeply indifferent or disgusted.

Just look at the number of votes any party or all the parties obtained in the last election and you will see that fewer and fewer Canadians feel involved in the making of this country's policy, less and less participation, more and more indifference, more and more apathy generally speaking, and that is bad, that is a preliminary sign that time has come not only for the government opposite but also for our party and other parties to get together, to show real leadership in this country by leaving aside political partisanship which makes us fight against each other instead of building our country.

Today, Mr. Speaker, the hon. member for Témiscamingue put his finger on the problem by proposing that motion. I think we should recognize that there is a lack of leadership in this country, a lack of industrial strategy and that it is time to change course, Mr. Speaker, to set order again in the house, otherwise more or less shortly it will be the end of this country. Let us not forget that it is not for linguistic or constitutional reasons. We have been living for a hundred years with that constitution. For a hundred years we have been speaking English and French in this country but it is the first time that we have such a high unemployment rate and this is dangerous, Mr. Speaker.

Mr. Deputy Speaker: Order please! It being 6 p.m. it is my duty to interrupt the proceedings on the motion of the hon. member for Lotbinière (Mr. Fortin), pursuant to Standing Order 58(11). Accordingly, this House stands adjourned until 11 a.m. tomorrow pursuant to the special order agreed upon Monday, May 30, 1977.

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, June 2, 1977

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

CANADIAN HUMAN RIGHTS ACT

MEASURE TO PROTECT PRIVACY OF INDIVIDUALS

The House resumed, from Tuesday, May 31, consideration of Bill C-25, to extend the present laws in Canada that proscribe discrimination and that protect the privacy of individuals, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs; and the amendment thereto of Mr. Woolliams.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I had about two minutes in which to start my speech the other night. Perhaps I could set the scene again this morning for those who might be unfamiliar with the issue raised by my friend, the hon. member for Calgary North (Mr. Woolliams). We are dealing with Bill C-25, an act to extend the present laws in Canada that proscribe discrimination and that protect the privacy of individuals. Most of us, however, call it—as indeed it calls itself in clause 1—the Canadian human rights act.

The measure before us presents a procedure for people who feel themselves aggrieved under a variety of circumstances. These are set forth in a series called "discriminatory practices" in clauses 5, 6, 7, 8, 9, 10, 11, 12 and 13. Then there are exceptions not considered to be discriminatory practices which follow. If one has a complaint under the human rights act, one can take it before the commission and an investigation may be launched. The official may say that the complaint will be taken up elswhere, that there is another act of parliament which offers a remedy. I presume, since we deal with dominion-provincial niceties and things like this, the commission might direct the person to take his complaint before a provincial ombudsman because that is where any remedy, if possible, lies.

There is a procedure for conciliation. The result of that conciliation may, by clause 38, be referred to the commission for its approval. All that failing, the person aggrieved can march on to the human rights tribunal. Its powers are set forth in clause 40 of the measure before us. It is possible to go to the Federal Court to make the finding of that human rights tribunal an enforcement. In effect, the Minister of Justice and the government are saying that while the human rights tribunal can adjudicate and make a decision, the power of enforcement must be found somewhere else. They place that power in the Federal Court.

If I can complete the reference to the Federal Court as specifically set out in the measure before us, in clause 44 there are other rules set out for the court. However, the act goes no further than that and a person who is aggrieved by the finding of a human rights tribunal must ask himself where he can go from there. In the Federal Court Act is section 28 which provides the right of appeal from administrative decisions to the Federal Court in certain circumstances. It is on section 28 that the Minister of Justice (Mr. Basford) relied when he turned down the motion we are now debating. On the other hand, the Minister of Justice has to admit, as he did the other night, that there are some sections of the Federal Court Act which give rise to difficulty, that a study is being made, and so on. So it is possible we shall be faced with an amendment some time in the future to clear up imperfections in that act.

• (1110)

I have no quarrel with that, but I must quarrel with the contention of the Minister of Justice when he says the Federal Court Act will give an aggrieved person protection. If section 28 is doubtful at all—and I gather it is—then surely somebody who has a complaint about a human rights decision should not be placed in the position of having to spend a pile of money going through all the procedures, including a hearing before the tribunal, and then having to wonder whether, going one step further, section 28 really fits the purpose. This is why I support the proposition put forward by the hon. member for Calgary North. At least the motion before us does one thing. It gives a clear right, a positive right, and no one will find himself engaged in legal foofaraw in the courts to the extent of that right.

If we can send out of parliament a procedure which people can follow, which is easy to understand, which does not get people involved in the dreadful labyrinth of argument as to what exactly the legislation means, I say by all means do so. There is a virtue in having a clear right set forth, one which can be clearly understood by people who become enmeshed in the law. But if the minister still has any doubt about section 28, let him bring in his remedy at a future time and then repeal what is proposed by the hon. member for Calgary North. To my mind, it is as simple as that. We passed a motion presented by the hon. member for Calgary North as a good solution, one which makes sense, one which can be followed. If the Minister of Justice finds that section 28 does not serve the interests of people who have been confounded by the decisions of administrative tribunals, he can come along

with his own remedy and what the hon. member has done on a short-term basis can be reviewed on a long-term basis.

My feeling is that we must decide in favour of something that is exact and which will work, and that we are bound to reject the thoughts of the Minister of Justice, "Section 28 may be good or it may be bad, so we shall study it and perhaps do something about it later." If that is the way we run this country, God help any members of parliament who have anything to do with sanctioning such an approach.

My final point has been expressed so eloquently by my hon. friend from Annapolis Valley (Mr. Nowlan) that I simply want to go on record as endorsing his position. If we can set up a procedure which follows a doctrine of consistency, that should be done. We have a long-established tradition in the courts of Canada whereby judges are bound by what other judges have decided. I should like to see this doctrine of consistency embedded here through the provision of the right to appeal through the Federal Court. Our judges operate from Newfoundland to Vancouver Island, and from Pelee Island to the Arctic pole. They are bound by standards of consistency. Tribunals, it seems to me, are not likely to achieve such standards within a reasonable period of time. Consistency is a virtue in the law, anyway.

The minister should accept the very practical suggestion put forward by the hon. member for Calgary North. The Minister of Justice has always struck me as being a very practical person. I do not know why he feels called upon to dig in his heels about a suggestion like this, one which has the hallmark of common sense. No one can point to any awful reason why it ought not to be accepted. It makes sense. Mr. Speaker, I have made my pitch in the best way I know, and I hope the minister will accept it.

Mr. Andrew Brewin (Greenwood): Unfortunately, Mr. Speaker, I was not able to be in parliament when the earlier part of the debate took place. I understand that the hon. member of Calgary North (Mr. Woolliams) made an eloquent and impassioned plea for the amendment which is now before us. Notwithstanding this, I cannot agree to the amendment. The purpose of the amendment, apparently, is to give the right of appeal to the Federal Court from any order, decision or review of a tribunal: I think both the tribunal and the review tribunal are included. The idea is that a review by a court somehow or other improves the situation; that going to court is the right way to deal with any administrative act. I have had quite a different experience. Certainly there are some matters that ought to be reviewed by the courts, but there are others which administrative tribunals are far better suited to deal with than are the courts themselves.

● (1120)

What I am afraid of, Mr. Speaker—and this has been found to be so—is that some lawyers have been protesting over the years that the courts should have a monopoly on dealing with these matters, yet in practice it has not been found to be the best way of securing the justice which parliament is seeking to enact in this type of legislation.

[Mr. McCleave.]

Mr. Woolliams: A typical socialist statement.

Mr. Brewin: If that is a typical socialist statement, then yours is a typical reactionary attitude, so we are even on that particular point.

Mr. Woolliams: I am not asking for the court; I am asking for an appeal from the tribunal.

Mr. Brewin: I know you are, and I will outline what I think is the trouble with an appeal. First of all, it would cause expense, and this matters to some people who are being discriminated against. A person cannot go to the Federal Court without considerable expense. Second, it would cause delay. There is nothing that some employers, or others who have indulged in acts of discrimination, would rather have than be able to delay matters by lengthy proceedings. The Federal Court is already overburdened with work. Apart from the theoretical result of passing this amendment, the practical result would be to delay and to add to expense. Indeed, it would help frustrate the purposes of the act, some of which are not only that justice be done, but that it be done with expedition.

Although I was not here at the time, I understand the Minister of Justice (Mr. Basford) has already called the attention of the House to the fact that in the Federal Court Act section 28 provides for review of cases where there has been a breach of national rights or excessive jurisdiction has been exercised. It seems to me that that is a perfectly adequate remedy, rather than setting up special individual rights of appeal.

It is because we want the legislation to be effective that we propose to vote against this amendment. We think it would frustrate and delay the healthy operation of the legislation. I do not think I need elaborate any further on our reasons. I dispute the proposition that courts are the only tribunals fit to consider matters of the kind encompassed within this bill. Practice has shown it to be the converse. The courts have their virtues, but they also have their failings, and sometimes their failings consist of lack of appreciation of the kinds of matters which are dealt with by this bill. General jurisdiction to review cases of injustice, or complete disregard for human rights, or breaches of jurisdiction, is something that should be preserved, but this particular right of appeal is unnecessary. I hope that the House will reject this amendment.

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I rise to speak on behalf of this amendment. I think the right of appeal is imperative if we are to preserve human rights in this country. I have received a notice from a constituent of mine who works on behalf of diabetics in Canada. This is a fairly small group, though probably larger as a group than we realize, which is discriminated against more frequently than we know. It has just come to my attention that one government agency or corporation, the CNR, is in the vanguard of this kind of discrimination. I am recently in receipt of a letter from a young man, 20 years old, who has been working for the CNR for about three years. He decided to apply for a different

job within the corporation, and in the process of making application he naturally had to have a medical. The doctor in charge was a Dr. Rosetti, who made the following statement:

CNR will not hire diabetics for any position no matter how stable or unstable the person's diabetes may be.

Dr. Rosetti said he had never allowed a diabetic who had come through his office to be hired by the company. Other matters have come to my attention in connection with diabetics who have been discriminated against. I have mentioned in the House the matter of the Bank of Montreal. Soon after that incident I received a letter from another diabetic in Toronto who had on file a letter from another bank which had the same discriminatory hiring practices. We now have a government agency discriminating against diabetics.

The extent to which these companies go to discriminate against diabetics indicates the need for the kind of tribunal which the hon. member for Calgary North (Mr. Woolliams) is recommending ought to be included in the legislation. I, therefore, want to go on record as supporting this kind of amendment which would ensure protection of the rights of this minority group who are facing flagrant discrimination on the part of large corporations.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner): Call in the members.

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

● (1130)

(*Division No. 46*)

YEAS

Messrs.

Alexander	Balfour	Caouette (Villeneuve)
Andre (Calgary Centre)	Beatty	Caouette (Témiscamingue)
	Beaudoin	
Clarke (Vancouver Quadra)	Jarvis	Muir
Cossitt	Jones	Neil
Crosbie	Kempling	Nowlan
Crouse	Knowles (Norfolk-Haldimand)	Paproski
Darling	Lambert (Bellechasse)	Patterson
Diefenbaker	Lambert (Edmonton West)	Ritchie
Epp	Laprise	Rynard
Fairweather	La Salle	Schellenberger
Friesen	Lavoie	Schumacher
Grafftey	Lawrence	Skoreyko
Halliday	Masniuk	Smith (Churchill)
Hees	Matte	Stanfield
Hnatyshyn	Mazankowski	Stevens
Holmes	McCleave	Stewart (Marquette)
Howie	McGrath	Towers
Huntington		Wise
Hurlburt		Woolliams—56.

NAYS

Messrs.

Abbott	Duclos	Macdonald (Rosedale)
Allmand	Dupras	MacGuigan
Anderson	Duquet	Marceau
Andras (Port Arthur)	Faulkner	Marchand
Andres (Lincoln)	Firth	Martin
Appolloni (Mrs.)	Fleming	Milne
Baker (Gander-Twillingate)	Foster	Munro (Hamilton East)
Basford	Fox	Nicholson (Miss)
Béchard	Francis	O'Connell
Bégin (Miss)	Gauthier (Ottawa-Vanier)	Orlikow
Blais	Gilbert	Ouellet
Blaker	Gillespie	Pearsall
Blouin	Goodale	Pelletier
Breau	Goyer	Penner
Brewin	Gray	Peters
Broadbent	Guay (St. Boniface)	Philbrook
Buchanan	Herbert	Portelance
Bussières	Holt (Mrs.)	Poulin
Caccia	Hopkins	Prud'homme
Cafik	Isabelle	Railton
Campagnolo (Mrs.)	Jamieson	Reid
Caron	Knowles (Winnipeg North Centre)	Richardson
Clermont	Lachance	Roberts
Corriveau	Lajoie	Robinson
Côté	Lalonde	Rompkey
Cullen	Lamontagne	Saltsman
Cyr	Landers	Sauvé (Mrs.)
Danson	Lang	Sharp
Daudlin	Lapointe	Smith (Saint-Jean)
Dawson	Leblanc (Laurier)	Stanbury
Demers	Lee	Stollery
Dionne (Northumberland-Miramichi)	Lefebvre	Tessier
Douglas (Bruce-Grey)	Leggatt	Trudeau
Douglas (Nanaimo-Cowichan-The Islands)	Lessard	Trudel
Drury	Loiselle (Chambly)	Turner
	Lumley	Watson
	MacDonald (Cardigan)	Whelan
		Yanakis
		Young—111.

● (1210)

Mr. Speaker: I declare the motion lost.

Hon. Ron Basford (Minister of Justice) moved that the bill be concurred in.

Motion agreed to.

Mr. Speaker: When shall the bill be read the third time? By leave, now?

Some hon. Members: Now.

Canadian Human Rights

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

He said: Mr. Speaker, when I addressed this bill on second reading debate—

Mr. Deputy Speaker: Order, please. I hope hon. members who wish to leave will do so quickly, so the minister may begin his remarks and be heard.

Mr. Basford: Mr. Speaker, when I addressed this bill on second reading debate I suggested that parliament could, and should give it careful and constructive examination and yet pass it by the end of June. That objective was agreed to by spokesmen of all parties in this House. I appreciate the support from all corners of the House and the constructive interest that has been expressed in the bill. I suspect it would pass third reading without debate or a statement from me or anyone else, but I thought it valuable that the House should pause for a brief time just before it is given third reading.

There are two principles embodied in the bill. The first, which applies to parts I, II and III of the bill, is set out in clause 2(a) which reads as follows:

—every individual should have an equal opportunity with other individuals to make for himself or herself the life that he or she is able and wishes to have, consistent with his or her duties and obligations as a member of society, without being hindered in or prevented from doing so by discriminatory practices, based on race, national or ethnic origin, colour, religion, age, sex or marital status, or conviction for an offence for which a pardon has been granted or by discriminatory employment practices based on physical handicap—

The grounds of discrimination prohibited under that clause constitute the most complete and comprehensive listing in any of the Canadian provinces or in the United States at the federal or state level. It is for that reason that I think the bill has received the support of all parties in this House.

One particularly important aspect of the anti-discrimination portion of the bill is the requirement that there be equal pay for work of equal value between men and women. This concept, put forward in the work of the Royal Commission on the Status of Women and the principle set out in the International Labour Organization's equal pay formula, and now being enacted in this bill, is a very significant development in equal pay legislation. It has received the enthusiastic support of all the major women's organizations in this country. Hopefully, the adoption of this measure at the federal level in this country will give us the instruments to deal with the serious problem that women face of low-paying job ghettos. I want to express my appreciation for the work of those organizations in the development and passage of this bill. Those same organizations were concerned about one provision in the bill, and I would ask them to note the amendment made in committee by which the loophole they feared has been closed.

In the area of human rights, the mechanism of enforcement is as important as the declarative divisions themselves. Parts II and III of the bill provide that mechanism, setting forth, respectively, the nature of the human rights commission and the procedural system for investigation of a complaint which, if not settled at that stage, can be followed either by conciliation or referral to a tribunal. It should be noted that those two parts of the bill also set out the research, educational and reporting functions of the commission. The second principle embodied in this bill is set out in clause 2(b), which reads as follows:

the privacy of individuals and their right of access to records containing personal information concerning them for any purpose including the purpose of ensuring accuracy and completeness should be protected to the greatest extent consistent with the public interest.

The translation of this principle into law is found in part IV. This part would provide Canadians with the right of access to personal information contained in government files, the right to request correction of that information where it is not felt to be accurate, and the right to control of that information. This represents the first time that such rights will be granted in Canada and, indeed, in a parliamentary system anywhere in the world that is similar to Canada. It is an extremely important development in the recognition and protection of individual rights. Under this system any individual will be able to consult an index covering all government records containing personal information which is used for administrative purposes. He can then apply to the government for any of the rights listed above. If his application is denied, he can refer the matter to the privacy commissioner who shall sit as a special member of the human rights commission.

● (1220)

Of course, the public interest and the protection of the privacy of others both demand that some exemptions to the principle be included in the bill. Obviously, for example, it would not be in the public interest to grant heroin traffickers a right of access to police investigation files. Real efforts have been taken to limit these exemptions to the greatest extent possible consistent with the public interest.

The proposition set out in clause 2(*b*) was amended in committee. It sets out, in connection with the protection of privacy of individuals and the right of Canadians to access of information, a set of objectives and principles for part IV. I hope, as I am sure all members of the House hope, that the administrators of this act in time to come will interpret the exemptions in light of the principles and objectives of the bill, in light of the spirit of the bill, and that, to the greatest extent possible, there will be access to information.

I would like to take a few minutes to emphasize that the rights being granted under part IV must not be confused with the concept of freedom of information. There has been confusion among some members of parliament and some members of the public, including the Canadian Bar Association, that part IV amounts to, or is intended to be, a substitute for freedom of information legislation. This is quite wrong. Whereas freedom of information deals with the access of the public to government documents in general, part IV provides a mechanism for an individual to see his own file, at the same time excluding him from seeing personal information about others which would amount to an invasion of their privacy. I agree with the statement by my predecesor that "the right to privacy and the right to know are not contradictory but complementary; they are companion rather than conflicting

freedoms". However, it should be recognized that the two are quite different.

Although part IV deals with one only of these so-called "twin freedoms", this is not to suggest that the other one is to be neglected. I forcefully endorse the concept of freedom of information and this government is presently involved in preparing a policy paper on the issue for presentation to the Joint Parliamentary Committee on Statutory Instruments which will be brought forward by my colleague, the Secretary of State (Mr. Roberts). This matter can then be studied with a view to developing the best legislation possible on the methods to improve public access to government information. I expect that this paper will soon be available and I hope that we will see early legislation on the subject.

I wish to make two important policy suggestions. While the provisions of part IV only apply at present to departments and agencies of the federal government, on the basis that we should legislate our own instrumentalities first, it is important that a scheme for the protection of privacy and the right of individuals to correct information in data banks be extended as rapidly as possible to services and industries in the federally-regulated private sector. Soon after the privacy commissioner is appointed I intend to direct that he undertake a study into the possibility of such action. We are seeing more and more, in the private sector, the development of bigger and bigger data bank systems. It is important that they be subject to some form of legislation and regulation. I also hope that through the enactment of Part IV and through discussions with the provinces, the provinces will be encouraged to take action to grant individuals the right of access to personal information and the right of correction.

Having mentioned both portions of the Human Rights Act, I would like to return to the grounds of prohibition provided for in part I. In committee a number of other grounds of discrimination were discussed, such as the possibility of including language, sexual orientation, political affiliation and physical handicap in the areas of services, facilities and accommodation. Obviously, under this legislation physical handicap is included as a ground only in employment matters. The reasons for not including those grounds were discussed and fully examined in the committee. I wish to mention only two.

Parliament, through its official languages regime, is actively involved in the protection and promotion of French and English language rights in this country. To include through our Official Languages Act, through resolutions of the parliament of Canada or through other means, official language rights in a general anti-discrimination scheme would not only add considerable confusion to the situation but would run the risk of actually diluting the rights already granted for our official languages. In my opinion, any action which is necessary to promote and protect French and English language rights in Canada should be dealt with in the specific context of the official languages scheme.

While agreeing that French and English rights are appropriately dealt with under the official languages policy, some have suggested that the language rights of those Canadians who speak languages other than French or English should be dealt with in Bill C-25. I agree that discrimination against persons because they are identified as speaking a particular language cannot be tolerated. However, I would like to point out that Bill C-25 does prohibit discrimination on such a basis under the ground of "national or ethnic origin".

To suggest that the multitude of languages freely spoken by many Canadians be a prohibited ground of discrimination under this act would result in services, employment and accommodation having to be made available in all of those languages. While we all agree that people should not be discriminated against because of the particular inflection of their voice, and that in a free society we should be free to speak whatever language we want, it is another matter to impose a legal obligation for the provision of services and accommodation in those other languages.

It was discussed in committee and in representations to me that the ground of physical handicap be extended to areas of services, facilities and accommodation. I am very sympathetic to the problems faced by the physically handicapped in these areas and feel that action must be taken to alleviate them. To this end, Bill C-25 provides a mechanism for doing so. Under clause 22(1)(h) a duty is placed on the commission to encourage the development and improvement of the arrangements for physically handicapped in the areas of services, facilities and accommodation. I feel that in the long run this method of dealing with the problems of the physically handicapped, taken together with the actions of other government departments and agencies, may prove to be more effective than including physical handicap as a prohibited ground on this expanded basis.

● (1230)

Throughout our history many in this country in politics, in the churches, in the trade unions and in voluntary organizations have fought against discrimination and for the equality of men and women. It is a story of which they can be proud, and much has been accomplished. Much, however, remains to be done. It is the essence of a free society that people are judged according to their own value and their own work. Where discrimination exists in Canada, it must be rooted out. When human rights are not conceded, when acts of discrimination take place in this country, we in Canada must take a stand against it, all the more so today with human rights under sustained attack throughout the world. Regardless of our various beliefs, we in this country all seek, I believe, the brotherhood of man. Today, in some small way by the passage of this bill we, as members of parliament of all parties, are taking an important step toward the establishment of that brotherhood in this country.

Mr. Woolliams: Before my good friend, the hon. member for Fundy-Royal (Mr. Fairweather) rises to address the House, would the minister answer a question? Does the minister interpret this measure as meaning that once it is passed into law, the reference to "the right to work" implies that when certain rules have been laid down by the union for the protection of the working man, a person should have the right

to a job although he does not belong to a union? Would it be held that such a person was subject to discrimination?

Mr. Basford: Not entirely, in the sense of the question. The "right to work" is used, in the question, in the context of the right to work without the person concerned joining a union. That is not affected one way or the other by this legislation. What is provided for are regulations and laws related to employers and employee organizations—trade unions—to ensure that there is no discrimination in membership on the basis of any of the grounds mentioned in the legislation.

Mr. Beatty: Mr. Speaker, I should like to clarify one matter. With regard to part IV there is some concern among the research community about the possibility that the legislation would also apply to statistical data banks as well as to administrative data banks. Does the legislation differentiate between the two? Is it the intention to place additional restrictions on statistical data which might affect the ability of researchers in their work?

Mr. Basford: That question is dealt with in the definitions section on page 28. The definitions in question are those of "administrative purposes" and "federal information banks". The right to privacy and the right to make corrections relate to federal information banks where information is in the hands of the government and is being used in relation to an individual for an administrative purpose. I would not categorize those banks as statistical banks of the kind about which the hon. member is asking. The definition of "information banks" is somewhat wider, though, and there is provision in the act that the designated minister shall have the duty of co-ordinating the operations of government information banks in an endeavour to limit, to the extent possible, consistent with good information, the information-gathering activities of government.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I am glad the minister paused for a minute or two in his speech to reflect about those who through the years have been the pioneers of this legislation. I think the House would not mind being reminded that one of those pioneers was Mrs. Florence Bird—Anne Francis, to those who listened to her on the radio in other days—and the government of the late Lester B. Pearson who appointed Florence Bird and the commission out of which this legislation arose. I have been thinking lately about the propensity of hon. members to be somewhat verbal about their policy declarations. This may be fine, except it often means that others in legislative history are overlooked. We politicians are very much "instant" people, and I want to pause for a moment to pay tribute to Florence Bird and others in our history who have espoused the cause of human rights and, in particular, the rights of women in society.

It was pointed out in earlier stages of this debate that the provinces have in place human rights commissions. Part of the dilemma which arises in this field originates, from the fact that jurisdiction is shared by provincial and federal governments. This means we should be forewarned that just because the apparatus is in place does not mean there will be an end of discrimination. I know the minister does not expect this, and very few of us do as we debate the issue in parliament today, but I make a plea to those who will be responsible for the working of this legislation to co-operate very closely with the human rights commissions in the various provinces. I hope that at an early stage they will seek an opportunity to gather experience of the day by day operations of these commissions as they work to end discrimination in our country.

As those who sat on the committee know, I was anxious that the matter of sexual orientation be faced squarely by the committee. I said in committee that it was a pity it was not faced. The minister has given an explanation. He is part of a majority government and, of course, he has an obligation to put forward those measures which he believes not only the government can sustain but that parliament will approve. Nevertheless, I think that if one believes, as the minister believes, that this parliament will be addressing itself very soon to discrimination which is inherent in sexual orientation, he is very optimistic indeed. That is why many of us, but not enough, were anxious to have the government face this issue when the bill was before committee.

● (1240)

I believe very sincerely that it is by being open about orientation that the activities of blackmailers and others who prey upon the propensities of people in society are brought to an end. The longer people have to keep their sexual propensities hidden, the more they are preyed upon by blackmailers. I believe this very much, and I had hoped that a bill having to do with human rights would have faced this issue squarely in the latter half of the seventies. But it is not to be. We made an effort in committee to bring this about, but we were unsuccessful.

If I may turn to the question of equal pay for work of equal value, many of us heard the cries of alarm, when the bill was in committee, regarding how difficult it would be to implement this concept. I have always wondered why people seem to think that Canada cannot pioneer jurisprudence. The concept of equal pay for work of equal value is a difficult one. It has been raised at ILO conventions, but there has not been very much experience of the concept. Would it not be rather refreshing if for once Canada pioneered this concept? I am sure we are able to develop a sensitive jurisprudence and formula of implementation of this concept.

I should like to speak for a moment about one other aspect of the act to which I think it is a pity the government did not address itself and which I had hoped the minister might mention during his speech. I refer to the fact that clause 63(2) continues the present discrimination against Indian women. The minister was very forthcoming in committee about this, and he did receive some publicity. When ministers are forthcoming there should certainly be publicity, since it is so rare.

Mr. Leggatt: That is new in itself.

Mr. Fairweather: Yes, that in itself is news. In any event, when we tested the comittee's will, the minister said that an amendment to abolish the section of the Indian Act which continues to discriminate against the Indian people would be considered. If I interpret the minister's remarks correctly, in his answer to the Indian people he gave them a signal to get on with the matter of making suggestions to parliament for an Indian Act which would not continue what is one of the outrages of modern society, namely, the blatant, legislated discrimination against women who are Indian.

I hope that this warning is noted by those in charge of framing a new Indian Act and those in the Indian community. As my hon. friend from Vancouver-Kingsway (Mrs. Holt) has pointed out, even the name "Indian Brotherhood" is in itself somewhat discriminatory, or is evidence of discrimination. I hope that the very eloquent cries of witnesses such as Mary Two Axe Early and others who came to the committee to tell of the injustices suffered by Indian women will be addressed very soon by this parliament.

A colleague of ours, the hon. member for Greenwood (Mr. Brewin)—he will not like what I am going to say because he is innately a modest man—was honoured the other day by Canadians of Japanese ancestry for the contribution he has made to human rights throughout his entire career.

Some hon. Members: Hear, hear!

Mr. Fairweather: I could not imagine a better opportunity for me to have parliament recognize his contribution than during third reading of a bill having to do with human rights.

Some hon. Members: Hear, hear!

Mr. Fairweather: The hon. member can, of course, speak for himself when I am through, if he likes. Isn't that generous of me? He recognizes the innate paradox—we should keep this in mind with all legislation having to do with rights—that when the events for which he has been honoured occurred during World War II, namely, what Canada did to Canadian citizens of Japanese ancestry, we did not have a Bill of Rights. Our neighbours have an entrenched bill of rights in every sense of that word, but despite that they dealt just as shabbily with Americans of Japanese ancestry as did we Canadians.

I think we should regard this occurrence as a lesson that in times of stress governments can find excuses for overstepping the fundamental rights and freedoms of individuals. This is why, although the members of my party welcome this legislation, we realize that you cannot legislate humankind to be just one with the other. I sincerely believe that a Bill of Rights and that human rights commissions are a signpost of civility placed in the statute books by those who hope to promote civility along with human rights. I recall, and I think it is well that the House recalls, that just because a bill is in place and has all the apparatus of royal assent does not necessarily mean that humankind is going, *ipso facto*, to treat others with civility. Nevertheless, it is an important signpost. I just want to repeat that I have been pleased to participate in this legislation.

Canadian Human Rights

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I want to thank the hon. member for Fundy-Royal (Mr. Fairweather) for referring to my colleague from Greenwood (Mr. Brewin) regarding the great contribution he has made toward achieving human rights for all Canadians.

Mr. Brewin: I am not ready for the Senate yet.

Mr. Leggatt: Indeed, no. On the subject of human rights, "exemplary" is the right word to describe the contribution made by people like Andrew Brewin to protect unpopular groups. Human rights legislation is not worth much if all we are going to do is protect people who happen to be very popular in a country at any particular time. I think it is to the great credit of the hon. member for Greenwood and others in the House that during the emergency of the Second World War, when clearly Japanese Canadians were one of the more unpopular groups in this country, they withstood as a matter of principle the unpopular decision they made to defend groups which were unpopular.

In the same vein, I want to give credit to the hon. member for Fundy-Royal for what he did to defend unpopular groups in Canada such as Japanese Canadians. The logic of what he said applies, as well, to legislation which does not include provisions having to do with sexual orientation. This group of people is also unpopular and it is not a popular move to bring forward legislation to protect that group. Nevertheless, sometimes there is a difference between what is right and what is popular. I would like to give credit to the hon. member who preceded me, because he has fought those kinds of battles in the past. He deserves credit for the work he has done in this field.

• (1250)

Some hon. Members: Hear, hear!

Mr. Leggatt: Human rights legislation at the federal level is long overdue. Our party will support this legislation. There are a couple of questions which I do not think the minister has answered properly. One of them was referred to by the hon. member for Fundy-Royal. What kind of human rights legislation is it in Canada when the rights of native women are not included? They are exempted from this legislation, as the minister knows full well. Under clause 63(2) a specific exemption is made for the sole purpose of continuing to discriminate against native women in Canada. That is a shame; it is wrong.

Human rights legislation has to protect everybody and must not provide exemptions here and there. I know the minister's answer is that it is premature and we are going to work this thing out. It is difficult enough to pass legislation in this House. When these amendments come forward they will be harder to pass then than they are now. Human rights legislation, to be worth its salt, must include groups which are clearly discriminated against. The minister has missed several groups.

We have mentioned the question of sexual orientation. We have mentioned the question of native women. The minister has missed the broad group of people who because of their

political affiliations or their political beliefs are discriminated against in their employment. I will not go into examples, but legions of people cannot get employment because of views they may have held. This infamous black list which has been dealt with in this House from time to time is an excellent example of people who, because of political views not necessarily held at this time but at one time, find themselves discriminated against in Canadian society.

Mr. Hnatyshyn: They were never changed.

Mr. Leggatt: They were never charged, never accused nor convicted. It is the government which stands convicted in terms of that type of conduct. I thought this bill would have gone in some direction to solving that problem. The problem with the legislation is that the minister has not been forthcoming enough. He has not taken on the unpopular causes which are necessary for a valid piece of human rights legislation.

There were some changes in the bill at committee stage. I think they were positive changes. That is the reason there were not many amendments at report stage. The minister and the committee went along with increasing the penalty which I proposed at committee stage. I am referring to a very important section of the bill which would have hived off the whole question of employment discrimination to the Department of Labour and gutted the capacity of the new human rights commission to develop any jurisprudence around its operations. Our party was successful in having an amendment to that section passed at committee stage. It is to the committee's credit that they took a fairly objective look at the details of the bill.

The minister should look at an amendment which was not successful. I refer to clause 14, which deals in the negative. It reads:

> It is not discriminatory practice if (a) any refusal, exclusion, expulsion, suspension, limitation, specification or preference in relation to any employment is established by an employer to be based on a bona fide occupational requirement—

In committee we attempted to have the onus as to what is bona fide placed upon the employer, since it is the employer who has to make that kind of decision. It is the employer, for example, who has been paying reduced rates to women over the years in order to maximize his operation, his profit, and hurt a very large section of the Canadian community.

The minister has been unwilling to change that fundamental question of dealing with the onus and dealing with whose responsibility it is to get from under that kind of exemption. The exemption should never have dealt with it in a negative way. It should have been the other around. As the hon. member for Vancouver-Kingsway (Mrs. Holt) pointed out, this is a handle to give the employer a chance to discriminate. All he has to do, basically is say that there is a bona fide occupational requirement that a lumber worker, for example, has to be male. Thus, he beats the meaning of the human rights legislation. The onus should be clearly, forcefully, and fully placed upon the employer to prove that it is bona fide in a court of law or the human rights commission.

Some hon. Members: Hear, hear!

Mr. Basford: Mr. Speaker, I rise on a point of order. I do not want to get involved in a dispute in any way, but in fairness the hon. member should point out that we did make an amendment to that section in committee, which provides that those exclusions have to be established by the employer to be bona fide. It is the government's view that that places the onus on the employer. That is a matter of dispute between the hon. member and myself, but there is no doubt as to the intention and the belief of the government.

Mr. Leggatt: It would have been easier to understand the minister's position on this clause if he had accepted clear words which would have placed the onus on the employer, instead of weaselling around with the clause and continuing to engage in what is a legal dispute between the two of us. The clause we proposed was perfectly clear; the onus was set and the employer had a legal responsibility to satisfy that onus. We can get into the legal question of whether the word "establishes" in fact means "onus". The minister could have been forthcoming on this clause making it very clear that employers were not going to be able to weasel around clause 14 and hide behind the question of bona fide, in the practice of employment.

The bill goes some distance in providing protection to some groups. I wish we could say "all groups" and I wish we could say that the minister had the courage to protect the unpopular under this legislation. I must say that neither he nor his government has had that courage. There are times in this House when playing politics with a bill as important as this one is wrong. Our party will support it because it does go some distance in protecting people who are discriminated against as a result of their employment. But we should have seen a little more forthrightness by the minister in the bill.

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I really did not intend to speak on this bill.

Mr. Deputy Speaker: Order, please. I am sorry that I allowed the hon. member to take the floor, but I have to call it one o'clock at this time. I will now leave the chair until two o'clock. The hon. member may continue his remarks after routine proceedings this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

PROPOSED NEGOTIATIONS WITH UNITED STATES TO DIVERT OIL TANKERS FROM WEST COAST OF BRITISH COLUMBIA—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. My motion is prompted by the collapse of the Kitimat pipeline project and the consequent plans to ship very nearly all of the Alaskan crude to the Cherry Point, Washington refinery through the strait of Juan de Fuca and the Georgia straits. In view of the grim threat of an ecological catastrophe which the shipment of perhaps ultimately one million barrels of oil a day presents to the British Columbia coastine and fishing grounds, I move, seconded by the hon. member for Perth-Wilmot (Mr. Jarvis):

That the House views the threat posed to the British Columbia environment by the massive transshipment of oil with concern and calls upon the government to enter into immediate negotiations with the United States to divert oil tanker routes away from the west coast of Vancouver Island and Queen Charlotte Islands and terminate at Port Angeles, Washington.

Mr. Speaker: The presentation of such a motion for debate pursuant to Standing Order 43 can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

REASON FOR FAILURE TO ESTABLISH BROILER MARKETING BOARD—MOTION UNDER S.O. 43

Mr. John Wise (Elgin): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the terms of Standing Order 43. In view of this government's failure to act upon the request of the Canadian broiler producers to create a national broiler marketing board, I move, seconded by the hon. member for Joliette (Mr. LaSalle):

That the Minister of Agriculture explain to this House and to the Canadian broiler producers why this Liberal government has failed to set up a national broiler marketing board.

Mr. Speaker: The presentation of such a motion for debate pursuant to Standing Order 43 can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

AIR TRANSPORT

SUGGESTED SUBSIDIES ON GOODS SHIPPED TO ARCTIC COMMUNITIES—MOTION UNDER S.O. 43

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, arising out of reports that the cost of freight to remote northern communities in the eastern Arctic has recently risen by 50 per cent on the only air carrier for several of the towns in the Baffin region.

Given that air freight provides the only means of providing fresh produce and other essentials to these areas that are already paying over 60 per cent more for most consumer goods than in southern Canada, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urges the government to provide freight subsidies on essential goods that would bring the cost of essential goods to the same price range as in southern Canada.

Mr. Speaker: The presentation of such a motion for debate pursuant to Standing Order 43 can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*Translation*]

THE CANADIAN ECONOMY

PROPOSED INQUIRY INTO INCREASE IN UNEMPLOYMENT—MOTION UNDER S.O. 43

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

In view of the generally unstable economic situation throughout the country, and the fact that it is the direct result of the inflation which has been plaguing us for a number of years; in view of the resulting unemployment and the attitude within government circles to the effect that all the disastrous consequences of our economic situation are to be blamed on the constitutional uncertainty created since November 15, which view discredits the cause of the emancipation and fulfilment of Quebec, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the government order an inquiry into the specific causes of higher unemployment with a view to finding the ways and means of remedying it.

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

Some hon. Members: Agreed.

Some hon. Members: No.

AGRICULTURE

PROPOSED ESTABLISHMENT OF NATIONAL BROILER MARKETING BOARD—MOTION UNDER S.O. 43

Mr. Roch La Salle (Joliette): Mr. Speaker, I rise under Standing Order 43 to ask for the unanimous consent of the House to move a motion.

Considering the unfair competition against Canadian broiler producers these last three years through low price imports which increased by 671 per cent from 1974 to 1976, I move, seconded by the hon. member for Elgin (Mr. Wise):

That the House unanimously give the government leave to establish immediately a national broiler marketing board to ensure Canadian consumers the presence of this food in large quantities and at a stable and reasonable price, instead of having to trust uncertain imports without any guarantee of stability, which will inevitably happen if Canadian broiler producers are on the verge of bankruptcy.

Some hon. Members: This matter is settled.

Mr. La Salle: If it is settled, I am pleased about it, Mr. Speaker.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

EXTERNAL AFFAIRS

SUGGESTION GOVERNMENT REQUEST HUNGARY TO ALLOW REUNIFICATION OF GECZI FAMILY—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I rise on a matter of urgent and pressing necessity concerning the reunification of a Canadian family. In light of the federal government's lack of action in reuniting Mr. and Mrs. Geczi with three children who are now being retained against their will by Hungarian authorities behind the iron curtain, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That this House urges the federal government and the Department of External Affairs to express to the Hungarian government the fact that it has no right to decertify Canadian citizens or to violate the Helsinki accords and to demand the immediate reunification of the Geczi family.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

NEGOTIATIONS WITH UNITED STATES TO DIVERT OIL TANKERS FROM CHERRY POINT TO PORT ANGELES AND COMPENSATION FOR OIL SPILLS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Secretary of State for External Affairs, and it concerns the news that with the collapse of the Kitimat pipeline application we can expect nearly all of the oil to pass by the Queen Charlottes and through the Strait of Juan de Fuca and Georgia Strait, a massive environmental threat, in return for no additions to our energy supplies. In view of the fact that the Cherry Point refinery in Washington already has one oil spill to its credit, and for the benefit of the city of White Rock, will the minister tell the House whether he intends to open discussions with the United States with a view to reducing environmental risks by bringing in oil to Port Angeles, a far safer alternative to Cherry Point?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, with regard to the announcement yesterday, there has not been an application filed. Therefore, other than the declared intentions of the operators we do not know precisely what kind of proposal is going to be put forward. However, presumably the hon. member's conclusion is correct in the sense that it would probably add to the amount of traffic, but I do not know with certainty. I believe the hon. member referred to opening discussions with the United States. We have had ongoing discussions with the United States on the whole question of anti-pollution measures and control measures on the west coast. We have also talked about alternative locations and this will obviously make it all the more important that we keep those talks going and elevate them to emphasize what is clearly in the view of the hon. member and myself an increasingly important subject, given yesterday's developments.

Mr. Friesen: A supplementary question, Mr. Speaker. As the minister knows, those who were proposing the Kitimat route now support the Trans-Mountain route and therefore considerable weight is added to that application. In view of the fact that no mutual compensation agreement over the question of oil pollution has yet been concluded, even though those negotiations have been going on for sometime, will the minister tell the House whether he has taken up the point referred to by the hon. member for Fraser Valley West about a month ago? Is the minister now in a position to announce shortly, interim agreements for compensation measures to protect the livelihood and property of those threatened by the vastly increased possibility of oil pollution? I believe the question was originally addressed to the Prime Minister but I am sure the minister has been apprised of it.

Mr. Jamieson: Mr. Speaker, I am aware of it but because the issue is so important I would prefer not to rely upon my memory to give the hon. member a specific answer today. If he

would do me the kindness of waiting, I will look into it and give him a more considered answer tomorrow.

While I am on my feet, Mr. Speaker, I believe I said at the beginning that the application had not been received; I should have said it had not been heard. I understand the application in relation to Kitimat has been filed.

* * *

ENVIRONMENTAL AFFAIRS

REQUEST FOR EQUIPMENT TO CLEAN UP OIL SPILLS BE STATIONED AT WHITE ROCK, BRITISH COLUMBIA

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, a final supplementary question is directed to the Minister of Energy, Mines and Resources in the absence of the Minister of the Environment. Since I believe the nearest equipment for combating oil spills is in Vancouver, will the minister give us the assurance and will he urge the Minister of the Environment to see to it that there will be standby equipment in place in White Rock to serve the south coast areas in emergencies because that would be the first beach to be hit in the event of an oil spill?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I will be very pleased to pass on those representations to my colleagues.

* * *

EXTERNAL AFFAIRS

NEGOTIATIONS WITH UNITED STATES CONCERNING COMPENSATION FOR DAMAGE FROM OIL SPILLS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my supplementary question is directed to the Secretary of State for External Affairs. In view of the fact that no Canadian institution has legal jurisdiction to deal with the threat to the Canadian environment arising from increased marine traffic to the superport at Cherry Point because the National Energy Board can only deal with a pipeline over Canadian soil and the proponents need not file under the Canadian interdepartmental committee known as TERMPOL with regard to marine environmental risks, and in view of the fact that several weeks ago the Secretary of State for External Affairs responded positively to suggestions in this House that he enter into discussions with the United States government with a view to formulating a bilateral agreement—they may be the same discussions the minister referred to in his reply to the hon. member for Surrey-White Rock—can the minister confirm that the discussions he referred to a moment ago have been entered into with a view to getting a bilateral agreement that will deal with such things—not just compensation but also the risk factor involved in terms of increased marine traffic and the superport at Cherry Point?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Yes, Mr. Speaker, I repeat my answer. The hon. member is quite right; it was the same matter that I answered a moment ago. Those discussions are going on both bilaterally and as they relate exclusively to the tanker route. I might also point out that the whole question of pollution control and responsibility is also an element in the negotiations between Canada and the United States over border questions or boundary questions, for example, and also in the multilateral context in the law of the sea conference so that there are a number of fora in which this matter is now being discussed.

* * *

TRANSPORT

STUDY OF RISK OF SITING DEEPWATER OIL PORTS ON WEST COAST—GOVERNMENT POSITION

Mr. Bill Jarvis (Perth-Wilmot): A supplementary question to the Minister of Transport, Mr. Speaker. Since December 1976 a publication has been available entitled "An Environmental Risk Index for the Siting of Deepwater Oil Ports" which only pertains to oil ports on the east coast. May I ask if a similar study is being conducted or has been conducted that will indicate, if it is tabled in the House, the risk of siting deepwater ports on the west coast? This is particularly important now in view of the announcement last night about the abandonment of the Kitimat proposal and the prospect that Cherry Point would become a very vulnerable area?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, that type of study has not been completed in connection with the west coast. That was one of the reasons for engaging the services of the Thompson Commission, in order to look at the specific question which would have come before us in connection with the Kitimat application.

SUGGESTION THOMPSON COMMISSION INQUIRE INTO CHERRY POINT PROPOSAL

Mr. Bill Jarvis (Perth-Wilmot): A final supplementary question, Mr. Speaker, in view of the minister's reference to the Thompson inquiry under the Public Inquiries Act, and having regard to the limitations that we now experience vis-à-vis Cherry Point being an existing port on United States soil, will the Minister of Transport consider amending the reference to Professor Thompson, having regard to these limits and his structure already being in place, so that he might pursue, in so far as he is able, a study into the marine aspects and environmental risks as far as Cherry Point is concerned, at least in the Canadian context? In other words, Dr. Thompson has a structure in place ready to go. It would be abandoned because of the abandonment of the Kitimat proposal. Can we make use of his good services as far as the Cherry Point proposal is concerned?

● (1420)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the terms of reference were broader than just Kitimat in that they refer to the movement of oil by tankers through Canadian

waters. They would have some reference therefore to the project even as they stand. I will be looking with my colleague, the Minister of the Environment, at the question as to whether some broader terms of reference are required under the circumstances.

* * *

MANPOWER

REQUEST FOR TABLING OF FORECASTS OF UNEMPLOYMENT LEVELS IN PROVINCES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the minister of misery, formally known as the Minister of Manpower and Immigration. Will he confirm that his department has forecast a monthly increase of 200,000 in the average number of UIC beneficiaries in the next two years directly related to the department's forecasts of higher unemployment in Canada over the same period? Whill he also confirm that more than 2.6 million individuals will draw benefits annually over the same period of time, according to a forecast done by his department? Will he now agree, as I asked last week, that these forecasts on the employment situation should be tabled and made available to all members of this House and the public?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, off the top of my head I would not want to confirm or otherwise the figures the hon. member has indicated. Perhaps if a question were placed on the order paper we could deal with it in more detail and with more accuracy.

* * *

UNEMPLOYMENT INSURANCE

ESTIMATE OF INCREASED COST—REASON FOR PAYING BENEFITS RATHER THAN CREATING JOBS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I asked the minister related questions last week to which he gave the same kind of phony answer. Two days later he indicated that the figures were accurate. I suggest he knows he has these figures. Instead of waiting for a question on the order paper, he should pay a courtesy to the members of this House and produce the figures. While checking into that, will the minister also confirm that during the same fiscal years his department has estimated there will be an increase in the cost of UIC programs to a level of about $4 billion in total expenditures for running the UIC program. Will he confirm that is the case? Also, will he explain to the House why his department would rather spend money on UIC payouts instead of creating the jobs Canadians want?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, the hon. member knows we want to make positive use of the UIC fund. The bill presently before the committee makes proposals to do precisely that. In so far as the other figures are concerned, I am not prepared to guess at the accuracy or otherwise of what the hon. member is quoting.

* * *

THE CANADIAN ECONOMY

CONSULTATION WITH PROVINCES ON ESTABLISHING A JOB CREATION PROGRAM

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I will direct my final supplementary to the Prime Minister. Given the alarming forecast in the cost increases of unemployment insurance payouts which the Manpower Department has done and the related forecast showing an alarming increase in the number of recipients, does the Prime Minister have an answer to the question I asked last week. It was related to Premier Schreyer's request for a first minister's meeting to be held sometime in June to prepare plans jointly between the provinces and the federal government in order to come up with some major job creation programs?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did give some consideration to this request by Premier Schreyer. Unless such a conference were preceded by a meeting either by the Minister of Finance, the Minister of Manpower or officials of those particular departments, it would be premature. The question is viewed urgently by all members of government. Cooperation is important and is forthcoming. However, I have not gathered from Premier Schreyer or anyone else that they have any major new initiatives to propose.

* * *

[*Translation*]

PARLIAMENT HILL

REQUEST THAT MEMBER FOR VERDUN BE GIVEN PARKING SPOT

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

According to the CBC 10:30 newsbroadcast last night, the hon. member for Verdun has had serious parking problems on the Hill which explains why he was late coming into the House of Commons. As chief of the Liberal party, can the Prime Minister tell the House whether he has taken the necessary steps to ensure that his supporter will have the same benefit the others have for parking in a suitable space thus enabling him to be on time for the sittings of the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know whether this is a serious question or not, but it certainly is within the duties of the Speaker of the House rather than mine if it has to do with parking on Parliament Hill.

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

Yesterday in the House of Commons, the Social Credit Party of Canada had, according to our rules, the opportunity to put a motion on its allotted day for the consideration of the business of supply, a motion which I moved myself, which was debated by more than three members of the Social Credit Party of Canada, and which had been preceded by two oral questions and a motion moved under Standing Order 43. Yet, completely overlooking those debates in the House of Commons, the Canadian Broadcasting Corporation saw fit to report on the parking problem of the hon. member for Verdun. Can the Prime Minister assure the House that he himself will settle the parking problem of the hon. member for Verdun so that the Canadian Broadcasting Corporation can report to the Canadian people on what is going on in the House?

* * *

[*English*]

ANTI-INFLATION PROGRAM

REQUEST FOR NAMES OF ECONOMIC DECISION-MAKERS NEEDED TO AGREE TO RESTRAINT PRIOR TO ENDING CONTROLS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Prime Minister. The right hon. gentleman has stated it would be folly to remove controls except and until there is "agreement among the main economic decision-makers" on the whole question of voluntary restraint. Would the Prime Minister tell us who he considers to be suitable economic decision-makers in Canada to reach such an agreement? Who will speak for business, for example, or for the farmers or for the consumers?

Right Hon. P. E. Trudeau (Prime Minister): That is a difficult and complex question and it is one to which we address ourselves in a green paper tabled last week by the Minister of Finance. I hope the hon. member will peruse the chapter relating to that point.

TYPE OF AGREEMENT SOUGHT PRIOR TO ENDING CONTROLS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, that question was put to the Minister of Finance in the light of the green paper and the Minister of Finance also told us it was a complicated question and one to which he could not give a ready answer. Would the Prime Minister indicate what kind of agreement he is seeking? Is it a written agreement? These aspects are certainly not dealt with in the green paper.

Right Hon. P. E. Trudeau (Prime Minister): The most binding type of agreement would be the one I would prefer.

Mr. Stevens: Would the Prime Minister tell us what, in his mind, would constitute a binding agreement affecting business, labour and the consumer?

Mr. Speaker: Order. The hon. member is no doubt aware of the hypothesis contained in his question.

ROYAL CANADIAN MOUNTED POLICE

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—PERSON WITH WHOM PRIME MINISTER CHECKED PRIOR TO DENIAL OF MINISTERIAL KNOWLEDGE

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Prime Minister. It relates to an urgent and pressing matter, involving, as it does, the very credibility of the office the right hon. gentleman now holds. It concerns the confirmation yesterday by one, Pierre Cappiello, of allegations made in this House last Friday respecting a registered letter sent to the then solicitor general in relation to the break-in and burglary of L'Agence de Presse Libre in Quebec some three days after the actual break-in on, I believe, October 10. Outside the House last Thursday afternoon, the Prime Minister made two points at a press conference. First, he said that as soon as any minister was informed the investigation which eventually resulted in these charges immediately took place, and, second, if my rough French translation is correct, he made the point that it was several years after the break-in before any minister knew of the illegality.

● (1430)

My question to the Prime Minister is this. I have great respect for the office which he holds, and I think that this attacks the credibility of his office. With whom did he check in relation to those rather blanket denials of any knowledge; and specifically did the Prime Minister check before he made those statements with the then solicitor general, the present Minister of Supply and Services?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member is assuming or insinuating that my replies were incorrect. I still hold them to be correct. I am talking of illegality in so far as it concerns the RCMP. Any break-in is illegal. Unless I am mistaken, the hon. member is implying that I was referring to any illegality. I am referring to any illegality in which the federal government directly or indirectly would be involved, and my statement still stands.

Mr. Lawrence: Mr. Speaker, I am sorry that the Prime Minister is misinterpreting my words but I am sure it is my fault. I am talking about knowledge, ministerial knowledge, of an illegality, of a break-in, of the involvement of a federal police force, among others. I think this was the matter the Prime Minister referred to in the press conference. It is completely different from sentencing. It is completely different from the actual break-in. I am referring to ministerial knowledge of events and the circumstances relating thereto, and I think this was a very direct, blanket denial of any ministerial knowledge at that time. This is what I am directing my question to and it is what I would appreciate the Prime Minister referring to. Did he specifically check with the Solicitor General's two predecessors in respect of their knowledge of this matter at that time, or even now?

Mr. Trudeau: Mr. Speaker, I am afraid that the hon. member did not get my previous answer. I am telling him that the answers I gave at the press conference and in the House

still stand. No minister knew until several years after that the RCMP had been involved in a break-in. That is what the hon. member wanted to know.

As for how I came by this knowledge, Mr. Speaker, I came by it by memorandum. I did not talk to the ministers specifically within the last couple of weeks; I came to it by way of a memorandum which refreshed my knowledge of incidents which had been discussed in my office with the commissioner of the RCMP about a year ago.

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—KNOWLEDGE OF DEPARTMENT OFFICIALS OF BREAK-IN

Mr. Allan Lawrence (Northumberland-Durham): A final supplementary question, Mr. Speaker. We live in an era when there is supposed to be ministerial responsibility for acts of department officials as well. If the Prime Minister is denying, as I assume he now is, that any minister of his government knew a few days after the event of any allegation made in respect to that event and the involvement of a federal police force, would the Prime Minister now inform me that no minister had any responsibility for officials under him who also knew of the events or allegations made in respect to that illegality immediately after the event as well? In other words, did the then solicitor general's departmental officials have any allegations before them at that time of any involvement of the federal police force in respect to this matter?

Right Hon. P. E. Trudeau (Prime Minister): Of course I am not denying ministerial responsibility in this or in any other matter, Mr. Speaker. I am saying what the facts are in answers to questions which are put to me, and I am repeating what the present Solicitor General has made quite clear, that these facts will be restated and put in a complete context, as open as we can possibly make it, as soon as the sentencing of those who pleaded guilty takes place, which I am informed will be in less than a week or two. I do not feel I can add anything to what I have said, Mr. Speaker, but I am confirming that what I said corresponds to the knowledge given to me and of which I have taken cognizance and which, so far as I am able to decipher, absolves any minister from any lack of responsibility in the matter since he was not made aware of the break-in by the RCMP.

* * *

[*Translation*]

NATIONAL CAPITAL

POSSIBILITY OF DESIGNATING THE NATIONAL CAPITAL REGION AS CAPITAL OF CANADA

Mr. Gaston Isabelle (Hull): Mr. Speaker, my question is for the Prime Minister.

In view of the many stabs in the back the federal government receives from the Quebec government, the city of Ottawa and other partial and politically-oriented groups in the National Capital Region to slow down or prevent the achievement of the objective it set in 1969, namely to restore a normal balance between the Ontario and Quebec parts of this region, due also to the humiliations, frustrations, trucklings and penalties which its residents must endure every day, does the Prime Minister intend to consider amending the BNA Act section 16 to make the National Capital Region the capital of Canada, or does he intend to make it the subject of a national referendum so that the citizens of this region may be relieved once and for all of all that stress?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I take the liberty to reassure the hon. member who is certainly doing his duty in speaking on behalf of the people of his region, by telling him that the government's intentions have not changed since 1968 or 1969, when we discussed the matter at a federal-provincial conference. By means of an amendment to the Constitution, we did propose at that time to consider the National Capital Region as the capital of Canada. As long as the perspective is agreeable to the people of this region, it is one of our projects. I am glad to reassure the hon. member by asking him to refer to the federal proposals of many years ago and by telling him that they have not changed.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—POSSIBILITY OF INQUIRY BY QUEBEC AUTHORITIES AND PARTICIPATION BY FEDERAL MINISTERS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is supplementary to that raised by the hon. member for Northumberland-Durham and I direct it to the Solicitor General. My question arises out of reports that the solicitor general of Quebec, Marc-André Bédard, is planning to make further inquiries into L'Agence de Presse Libre affair—inquiries which may lead to a full public inquiry by a body such as the Quebec Police Commission. Will the Solicitor General tell the House if he has been asked by his counterpart in Quebec for information, and will he also assure the House that he, and his predecessors, the Minister of Indian Affairs and Northern Development and also the Minister of Supply and Services, are willing to testify about ministerial involvement in the break-in before any such inquiry?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, I did not receive any inquiry from Mr. Bédard. The file clearly establishes that, following the allegations which were made, the then solicitor general who I think was at the same time attorney general of Quebec, had ordered a judicial investigation on the circumstances surrounding the APLQ affair. This investigation is about to come to its conclusion; therefore I think it would be premature to make any other comment on this matter at this time.

[*English*]

KNOWLEDGE OF PLANNING AND ANALYSIS GROUP OF BREAK-IN AT L'AGENCE DE PRESSE LIBRE

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my supplementary question concerns the police intelligence planning and analysis group among whose functions it is apparently to ensure that the Prime Minister and the Solicitor General are kept aware of what is happening in the security services. Will the minister tell the House whether that organization informed him or his predecessor of L'Agence de Presse Libre break-in, and in the event that they did not, whether he considers them negligent for not doing so?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, the agency the hon. member refers to appeared not such a long time ago before a parliamentary committee; on that occasion, the hon. member for Yukon asked a number of questions about its role. I shall have to check the exact dates as to when this agency was set up. It is clear that this agency had nothing to do with these activities. It is not an operational agency. It is absolutely not involved in the activities of the Royal Canadian Mounted Police, as its duties concern the analysis of the information which may reach the government.

* * *

[*English*]

TRANSPORT

RECORD OF MEETINGS BETWEEN MINISTER AND PROVINCIAL PREMIERS—REQUEST FOR PUBLICATION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, may I direct my question to the Minister of Transport. Are minutes kept of meetings between the Minister of Transport and provincial premiers and, if so, could these be made public so that the public might be able to grasp what goes on at these shadow parliaments?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, it is ordinarily our practice at these meetings to keep a record or a summary of the proceedings. I will have to consult with them and examine other practices to determine whether making the proceedings public would be a sensible procedure.

Mr. McCleave: Mr. Speaker, might I ask by way of supplementary whether the minister would consult with the premiers of the four Atlantic provinces specifically so we could have some idea of what went on?

● (1440)

Mr. Lang: Yes, Mr. Speaker, I will be glad to do that. I will also take into consideration the question of general practices in this area.

BILINGUALISM

RELATIONSHIP OF COMMITTEE TO STUDY RIGHTS OF FRANCOPHONES OUTSIDE QUEBEC TO RESPONSIBILITIES OF SECRETARY OF STATE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the right hon. Prime Minister. The Prime Minister had a press release or an announcement about a visit from French-speaking minorities who live outside of Quebec, and the Prime Minister announced the setting up of an interdepartmental committee to study this. Can the Prime Minister tell us how such a committee relates to what has been thought to be the over-all responsibilities of the Secretary of State for looking after minorities anywhere in Canada, either French-speaking or English-speaking? What is the rationalization for the committee, and how does it fit into the duties of the Secretary of State?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am very grateful for the question, because I understand there have been some areas or interpretation as to the function of this committee. I am grateful for the opportunity to make it clear. La Fédération des Francophones Hors-Québec gave us a very voluminous and interesting report, which concerned the actions of many departments. All I did in answer to that report was to say that I would set up an interdepartmental committee composed of the various departments involved. As is usual and customary, that committee is to be chaired by a member of the Privy Council staff. Of course, he will be reporting to the Secretary of State because of the capacity of the Secretary of State and his responsibility, as the hon. member puts it, for minorities, and particularly Francophone minorities outside of Quebec. That line of authority should be quite clear. The interdepartmental committee is merely a tool, at the departmental level, to report to the Secretary of State, and then the Secretary of State chairs an ad hod committee of ministers on this particular question. Then, of course, they will be responsible to the full cabinet through the Secretary of State.

POSSIBILITY INTERDEPARTMENTAL COMMITTEE WILL DEAL WITH OTHER MINORITIES AS WELL AS FRANCOPHONES

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, can we assume that any minority, who feels aggrieved in our country, would go through this interdepartmental committee to have—

Some hon. Members: Oh, oh!

Mr. Paproski: Just listen, fais attention.

Mr. Fairweather: With the greatest of respect, I find it rather extraordinary that a sensitive question asked by somebody who has spent his entire life here, interested in minorities no matter what language—

Some hon. Members: Hear, hear!

Mr. Fairweather: The crows can crow all they like. I happen to feel it is a terribly sensitive problem which has to be solved.

I wonder if the interdepartmental committee will be confined to Francophones, or will it deal with other aggrieved minorities? What country do we live in? Obviously, we know there are minorities who feel aggrieved at this moment because of the ethnocentric policies of the government of Quebec, and I want to know about that.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I find the hon. member's question perfectly normal and sensible. This committee was set up by me the day before yesterday in response to a particular brief presented by the FFHG. Other briefs have been presented by other minority groups in Canada—multicultural groups, Indian and native groups and Eskimo groups. They have all been dealt with in a similar or parallel fashion. This particular group has been set up to look at this particular brief. Of course, other minorities will always have a hearing from this government and we will deal with them in the most appropriate way.

Mr. Paproski: I hope so.

* * *

EXTERNAL AFFAIRS

MAXIMUM CLAIM RESIDENT OF BRITISH COLUMBIA CAN MAKE AGAINST UNITED STATES IN EVENT OF OIL SPILL

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It concerns the problems following a decision of the Kitimat Consortium to withdraw from the Kitimat line and the increase in tanker traffic which will be faced by the Gulf of Georgia. Could the minister advise the House as to the maximum claim a resident of British Columbia can now make in the event of a tanker spill in the Rosario Straits or in that gulf area? What is the maximum claim that the residents of British Columbia can make against the United States government as things presently stand?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, as I replied to an earlier question, I am sure the hon. member will understand I would prefer to get specific information than draw on my memory for an answer to that question. I will get it is as soon as I can for the hon. member.

NEGOTIATIONS WITH UNITED STATES ON ALTERNATIVES TO USE OF CHERRY POINT BY OIL TANKERS

Mr. Stuart Leggatt (New Westminster): There are two routes which can be taken to avoid some of this extra tanker traffic in the gulf. I am sure the minister is aware of this. One is to offload at the Pacific port which does not affect the inside, or to take the surplus oil down to Los Angeles and ship it to the midwest through American territory. Has the minister, at any time, entered into joint negotiations with the United States to develop a west coast joint oil board so that the citizens of British Columbia can be protected in their inside waters? Second, has this government ever taken a positive step in encouraging the Los Angeles terminal as the logical alternative to putting British Columbia waters at risk?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, to be quite specific, I personally have not had those kinds of conversations since I assumed these responsibilities. Once again, in the interests of accuracy, I would like to check the records to see what discussions of that nature have taken place. I will respond as early as possible.

* * *

TRANSPORT

POSSIBILITY OF AGREEMENT WITH UNITED STATES ON CONTROL OF TANKER TRAFFIC USING STRAIT OF JUAN DE FUCA

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, while the minister is checking into the background of this, in terms of the regulations which control tanker traffic in the Strait of Juan de Fuca, at the present time Canada is spending some $16 million in new radar installations which are not being installed on the United States side. Can the minister advise whether we have entered into any joint enforcement agreement or regulations in that strait? The Minister of Transport may be more aware of this. Can the minister advise whether we have come to any agreement with regard to joint enforcement of tanker regulations with the United States, since those tankers will be using both sides of the strait, coming in and going out?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we have been making very good progress in that regard. We are confident we will have a full vessel management system in place.

[*Translation*]

LABOUR RELATIONS

REQUEST FOR REPORT ON NEGOTIATIONS BETWEEN FLOUR MILLS OF QUEBEC AND UNION

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, my question was for the Minister of Labour, but as he is absent from the House just now, I shall direct it to the Prime Minister.

Some time ago, I asked a question in the House concerning the millers' strike in Quebec, and it seems that although the government appointed a mediator, the millers are still on strike because of their union's dilemma with the Anti-Inflation Act. Could the Prime Minister, or the Minister of Labour who has just joined us, advise the House how the bargaining involving these striking millers is progressing? Because I do not know whether the minister has heard my question, I shall repeat it.

[*English*]

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, I met with the CSN yesterday afternoon in Montreal. We discussed the flourmill situation and some other matters. The CSN requested that my officers, with the Labour Depart-

ment in Montreal, intervene to see if some settlement could not be reached with the employers. I agreed that they would do so, and they undertook to do so today.

* * *

ANTI-INFLATION PROGRAM

PERSONS FROM WHOM GOVERNMENT WANTS AGREEMENT ON RESTRAINT PRIOR TO ENDING CONTROLS

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I have a question for the Prime Minister, as one who has spent several years studying the position of the government on controls. I would like to know what the government's present position is, fully realizing of course that it may be different somewhere down the line. Since the Prime Minister seems to be mistaken as to what is in the green paper, I would like to ask him who the principal decision-makers are from whom the government will be seeking a report. I ask this question because the Prime Minister seems to be under the illusion this has been spelled out, and it has not been. I think not only myself but the people of Canada are interested in knowing what the government's policy is. To whom is the government looking for a binding commitment on a position of voluntary restraint as soon as possible?

Mr. Hnatyshyn: He is talking about an election promise.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I recognize the hon. gentleman has spent a great deal of time thinking about the problem of controls. In the question of controls, of course, he would want to be reminded that timing, like politics, is all. Perhaps he did not consider that aspect enough when studying this question.

● (1450)

Mr. Paproski: His timing was not at fault. It took you nearly 18 months to implement his ideas.

Mr. Trudeau: At some periods of the economic cycle the timing is wrong for controls. At other times in the economic cycle—

An hon. Member: Like, after an election.

Mr. Trudeau: —it is right. As to the main economic decision makers, Mr. Speaker, I could, of course, name a whole series of them. These are people with whom we hope to enter into the proper kind of dialogue in response to the green paper and get the kind of agreement I alluded to earlier. Those whom we have met have been principally but not exclusively union leaders and representatives of large corporations; we have also had occasion to meet with many other groups across the country, and our consultations continue through the green paper, and directly.

TYPE OF AGREEMENT BEING SOUGHT PRIOR TO ENDING CONTROLS

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, may I ask a supplementary question without getting involved in the relationship between timing and, shall we say, frankness.

Some hon. Members: Hear, hear!

Mr. Stanfield: In view of the importance of the duration of the control period to Canadians generally, as well as to people whom the Prime Minister may be meeting privately, I ask, is the Prime Minister prepared to say precisely, not in the vague generalities of the green paper, what the position is, what kind of agreement the Prime Minister and the Minister of Finance are seeking which would bind the principal decision makers of the country. In other words, is this a serious position on the part of the government, or is it one of those timing propositions to keep things up in the air until it is suitable to announce something different to the Canadian people?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in introducing the notion of frankness the hon. member may be intent on proclaiming his own virtues but I can assure him that, to me, his answer spells out this: he has not understood what I said in my previous answer. In controls, whether of prices and incomes or, for that matter, controls of the exchange rate or controls of the dollar, it seems to me frankness is always desirable but the decision must be made almost simultaneously with the announcement of it.

Mr. Paproski: Surreptitiously.

Mr. Trudeau: Therefore, I am somewhat puzzled by the introduction of the notion of frankness, as though this were something which existed for all time, as though it is written in the mind of God that controls will come in at a certain time. The hon. member knows that you do not announce those kinds of controls before they are actually brought in.

Mr. Stanfield: A final supplementary question, Mr. Speaker. I am quite prepared to accept that my right hon. friend outmanoeuvred me a few years ago; but if he intends to take the position that frankness is a matter of timing, that is something the Canadian people, excepting himself, will have some difficulty understanding. I ask the right hon. gentleman if the question of confidence in this country is not sufficiently serious for the government to come clean. Instead of playing games with me or anybody else is the Prime Minister or the Minister of Finance prepared, rather than issuing some wishy-washy, woolly green paper, to indicate to the people of Canada at this crucial time in our economy what the government's policy is, if it has one?

Some hon. Members: Hear, hear!

Mr. Paproski: Come on, Pierre, answer.

Mr. Trudeau: Mr. Speaker, I hear hon. members opposite urging a continuation of this dialogue of the deaf. I assure the hon. member that in my view his introduction of frankness is

completely irrelevant. I did not indicate that frankness was a question of timing. I indicated that there was no great virtue in deciding a year or two in advance that you are going to control the exchange rate of the Canadian dollar one year or two down the road. You do that when you come to it and decide then.

Mr. Stevens: Answer the question.

* * *

TRANSPORT

DATE OF DECISION ON PROVISION OF FUNDS FOR URBAN TRANSIT PROJECTS

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is for the Minister of Transport. As the minister is aware, urban commuter transit in Canada it still in serious need of help. In the Toronto area in particular the expansion of Union Station, and other programs, has been postponed until word is received if the federal government will provide additional financial assistance as promised. In view of this climate of uncertainty, and even the encouraging news that CN actually made a profit of some $11.8 million in the last fiscal year and could help to finance some of these improvements, I ask the minister if any further decision has been reached regarding federal funding for public urban transit; if so, can he say what the decision is; if not, when can we expect one?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, a further decision has not been reached. We made it clear to the province of Ontario that existing programs can be of assistance in projects such as the renovation of Union Station. Substantial assistance is available but they have not yet addressed themselves to these programs.

RAIL LINE ABANDONMENT RECOMMENDED BY HALL COMMISSION—INQUIRY AS TO FORM OF APPEAL AVAILABLE

Mr. Craig Stewart (Marquette): Mr. Speaker, my question is for the Minister of Transport. Since certain areas of western Canada will be severely affected by the Hall Commission's proposals for rail abandonment, particularly region 4 area of western Manitoba, and since it is proposed to close some of those lines as early as December 31, 1977, can the minister say what form of appeal is available to those communities which feel the report deals unfairly with their areas?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am surprised that the hon. member would ask that question. I understood from other members of his party the other day that there was practically unanimous support for the recommendations of the Hall Commission.

Mr. Paproski: That is not what he said. Why don't you listen?

Mr. Lang: Certainly, the job of the Hall Commission—

Mr. Paproski: That is not what he said.

[Mr. Trudeau.]

Mr. Lang: It appears that the Conservatives again have found after reading the report that it is different from their first impression of it.

Mr. Paproski: How do you know? Have you read it?

Mr. Lang: Yes, I have read it. I also said, and I thought it was agreed by all sides, that the Hall Commission did a superb job of hearing people, receiving their viewpoints and analyzing the impact on communities and areas of sensitive proposals concerning rail service. The commission had to determine what rail service could be maintained, given the serious cost to the taxpayer of upgrading and maintaining the system. The Hall Commission did this job, and I will continue to pay a great deal of respect to the recommendations of that commission.

Mr. Mazankowski: Why don't you try answering the question?

Mr. Stewart (Marquette): Mr. Speaker, I am surprised at the minister playing politics with something so serious for Manitoba.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Paproski: Why don't you pull the plug, Pierre?

Mr. Stewart (Marquette): I gather from the minister's reply that there is no right of appeal given to the communities of western Canada. They cannot appeal the Hall Commission proposals.

Mr. Lang: Mr. Speaker, to the extent that the question asks for legal advice, I suppose it is not appropriate. Obviously, there are provisions in law in relation to the actual steps to be taken to implement the recommendations of the Hall Commission. Indeed, as the law now stands, the Canadian Transport Commission has the final role in approving the abandonment of any line. They will be looking at that question progressively as they follow the timetables supplied by the Hall Commission. Of course, the Hall Commission did recommend that we in parliament move to a different form of approval for those discontinuations, and that is a matter which we may be considering when we have had time to analyse the Hall report.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

POSSIBILITY QUEBEC WILL BE REIMBURSED FOR NOT USING FORCE

Mr. René Matte (Champlain): Mr. Speaker, my question is directed to the Prime Minister.

● (1500)

The Minister of Justice of the province of Quebec having indicated clearly that he would continue the representations

made by his predecessor concerning the recovery of some $300 or $400 million for the service rendered for many years by the Quebec Police Force in lieu of the Royal Canadian Mounted Police, would the Prime Minister tell the House whether or not his government will seriously consider this request in the next federal-provincial conference of justice ministers?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question is hypothetical since I am not aware of any federal-provincial conference and I do not know the agenda of that hypothetical conference.

Mr. Matte: On a supplementary, Mr. Speaker.

In the statement he made on May 14, the Quebec Minister of Justice indicated quite clearly that he would file such a request at the next conference. Therefore, would the Prime Minister tell us if his government has received such a request from the Quebec Minister of Justice about the reimbursement of these $300 or $400 million and how does he intend to deal with it?

Mr. Trudeau: Mr. Speaker, the Minister of Justice (Mr. Basford) just told me that a federal-provincial conference is indeed scheduled but to his knowledge this item is not on the agenda. If the Minister of Justice of Quebec wants to contact us, he knows where to find us. I do not think he has to go through the Social Credit member.

Mr. Lavoie: I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: The hon. member for Hochelaga on a question of privilege.

Mr. Lavoie: Mr. Speaker, I will be very brief. You will recall that last week I raised that same question with respect to an incident with the Canadian National, and I must thank the Chair for having made the necessary arrangements. But yesterday, after getting some information, and since the controller involved seems to recognize his mistake and to worry about the whole thing, I should simply like to ask the Chair not to seek the excuses I asked for, because that man got his lesson and has the right to earn his living like any other citizen. Therefore, I should like to ask the Chair that that man not suffer from any retaliation. As far as I am concerned, that incident is closed.

[*English*]

Mr. Speaker: I am sure the House will be pleased to hear of the attitude of the hon. member. I was concerned, first of all, not so much with the details of the presentation of the pass, because if a member is issued with a pass, it can scarcely be against his privilege not to be given the rights that accompany that pass if he has not got the pass with him. That was not the problem. I was more concerned about the level of service of a federal agency to either a member or any other citizen, and in fact I want to make this very clear. I was not concerned that the individual member on the CNR staff at the time was not comfortable in communicating in either the French or the English language. I intended to express concern that there would be nobody on the train representing the Crown corporation who could do so, and I am sure that that was not the case at the time and it was never the intention of the hon. member to convey that impression. I am pleased that the matter has been attended to by the hon. member raising it and that it is now closed.

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: The hon. member for Lotbinière (Mr. Fortin) on a question of privilege.

Mr. Fortin: Mr. Speaker, are we now on motions? Mr. Speaker, considering that the CBC did not comment on the motion moved by Social Credit members yesterday in the House pursuant to the Standing Order governing allotted days, I think that Canadians were not properly informed and that anyhow the inquiry on the CRTC will not be fair to the Canadian public as regards the business of the House, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House do now adjourn to allow a discussion on the position and the treatment of the CBC as regards the House of Commons, particularly each opposition party in this House.

Mr. Speaker: Order, please. I am sure the hon. member for Lotbinière realizes that the motion to adjourn the House is pursuant to the standing orders provided, however, the hon. member gets the floor pursuant to the standing orders and not on a question of privilege as he is now trying to do. In a moment, on motions, the hon. member will have the opportunity to put this motion forward.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. Today is Thursday and I wonder if the deputy House leader on the government side would like to inform the House of his intentions with respect to the legislative program to be presented by the government to the House through the course of the next week. While he is doing that, I wonder if he might consider as well designating next Tuesday and Wednesday as allotted days.

Mr. Blais: Mr. Speaker, we have no hesitation with regard to the latter portion of the hon. member's request. Indeed, the government was ready to designate next Tuesday and Wednesday as opposition days.

First of all I would like to thank hon. members for their co-operation as it seems that the legislative program is proceeding apace. We hope to terminate third reading of Bill C-25 this afternoon. We will then proceed to consideration of Bill C-3, the deposit insurance bill; then go on to Bill C-8, the Satisfied Securities Act; then Bill C-12, the tax conventions, and if we have time, and with the continued co-operation of

hon. members opposite, we hope to proceed to Bill C-26, the scientific activities bill.

Mr. Paproski: What about the Canadian anthem?

Mr. Hnatyshyn: I wonder whether the deputy House leader would like to go any further, in order that the co-operation, which is quite usual from this side of the House, may be continued, and let us know what other items of legislation might be forthcoming when we deal expeditiously with the bills he has named.

Mr. Blais: Yes, Mr. Speaker, and I am pleased to have that further co-operation. Subject to alteration of the following order and depending on the bills that will be reported, with that co-operation, out of committees in the next few days, we intend to proceed with Bill C-13, the historic sites bill; Bill S-3, the insurance companies bill, and Bill C-6, the diplomatic immunities bill. In view of the co-operation that the hon. member offers, I would ask also for the co-operation of hon. members opposite at the committee stage in order that we get some of the important bills out of committees and into the House so that we can proceed with them prior to the end of June.

Mr. Knowles (Winnipeg North Centre): In this atmosphere of co-operation I wonder if the acting government House leader will indicate when we will deal with Bill C-30, which has to do with Heritage Day?

Mr. Blais: In due course, Mr. Speaker.

ROUTINE PROCEEDINGS

[*English*]

LABOUR CONDITIONS

TABLING OF REPORT OF DR. FINN ON HEALTH AND SAFETY CONDITIONS IN GRAIN ELEVATORS

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would like to table in both official languages the report of Dr. Finn on the inquiry into health and safety conditions in grain elevators, with particular reference to British Columbia.

* * *

● (1510)

[*Translation*]

HOUSE OF COMMONS

MOTION TO ADJOURN

Mr. André Fortin (Lotbinière): Mr. Speaker, during the proceedings of the House of Commons on May 12, 1977, as reported in *Hansard* at page 5554, the Chair recognized that points raised by the Social Credit Party of Canada concerning Radio-Canada could not be considered as a question of privilege but as very valid grievances, particularly those of the hon. member for Bellechasse (Mr. Lambert) and mine. Since the corporation did not change its attitude after the by-elections and the work of the members of the Social Credit Party of Canada continues to be completely ignored by the corporation, we consider that we cannot wait any longer for the results of the CRTC inquiry and that the matter justifies an emergency debate. I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House do now adjourn.

Mr. Speaker: Order, please. The hon. member for Lotbinière (Mr. Fortin), seconded by the hon. member for Bellechasse (Mr. Lambert), moves:

That this House do now adjourn.

Is it the pleasure of the House to adopt the motion?

Some hon. Members: No.

Mr. Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members have risen:

Mr. Speaker: Call in the members.

● (1520)

[*English*]

The House divided on the motion (Mr. Fortin) which was negatived on the following Division:

(Division No. 47)

YEAS

Messrs.

Beaudoin	Fortin	Laprise
Brewin	Gilbert	Leggatt
Broadbent	Knowles (Winnipeg North Centre)	Matte
Caouette (Villeneuve)	Lambert (Bellechasse)	Orlikow
Douglas (Nanaimo-Cowichan-The Islands)		Peters
		Saltsman—15.

NAYS

Messrs.

Anderson	Andre (Calgary Centre)	Andres (Lincoln)
Andras (Port Arthur)		

Messrs.

Appolloni (Mrs.)	Gillespie	Muir
Baker (Gander-Twillingate)	Goodale	Munro (Hamilton East)
Balfour	Goyer	Neil
Basford	Graffiey	Nicholson (Miss)
Beatty	Guay (St. Boniface)	Nowlan
Béchard	Guilbault	O'Connell
Bégin (Miss)	Haidasz	O'Sullivan
Blais	Herbert	Ouellet
Blaker	Hnatyshyn	Paproski
Blouin	Holmes	Patterson
Boulanger	Holt (Mrs.)	Pearsall
Breau	Hopkins	Pelletier
Buchanan	Huntington	Penner
Bussières	Hurlburt	Philbrook
Caccia	Isabelle	Pinard
Cafik	Jamieson	Portelance
Campagnolo (Mrs.)	Jarvis	Poulin
Caron	Jones	Prud'homme
Clarke (Vancouver Quadra)	Kempling	Railton
Clermont	Knowles (Norfolk-Haldimand)	Reid
Comtois	Lachance	Richardson
Corriveau	Lajoie	Ritchie
Cossitt	Lalonde	Roberts
Côté	Lambert (Edmonton West)	Robinson
Crosbie	Landers	Roche
Crouse	Lang	Rompkey
Cullen	Langlois	Rynard
Cyr	Lapointe	Sauvé (Mrs.)
Danson	Lawrence	Schellenberger
Daudlin	Leblanc (Laurier)	Schumacher
De Bané	Lee	Sharp
Demers	Lefebvre	Skoreyko
Diefenbaker	Lessard	Smith (Churchill)
Dionne (Northumberland-Miramichi)	Loiselle (Chambly)	Smith (Saint-Jean)
Douglas (Bruce-Grey)	Lumley	Stanbury
Duclos	MacDonald (Cardigan)	Stanfield
Dupras	Macdonald (Rosedale)	Stevens
Epp	MacGuigan	Stewart (Marquette)
Ethier	Maine	Stollery
Fairweather	Marceau	Tessier
Faulkner	Marchand	Towers
Fleming	Martin	Trudeau
Foster	Masniuk	Trudel
Fox	Mazankowski	Turner
Francis	McCleave	Watson
Friesen	McGrath	Whelan
Gauthier (Ottawa-Vanier)		Wise
		Woolliams
		Yewchuk
		Young—147.

● (1530)

Mr. Speaker: I therefore declare the motion lost.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,830, 1,976, 2,023, 2,069, 2,086, 2,166, 2,217, 2,220 and 2,351.

Order Paper Questions

[*Text*]

MIRABEL AIRPORT

Question No. 1,830—**Mr. Beatty:**

1. Will Mirabel Airport suffer a deficit of nearly $50 million by the end of this fiscal year and, if so, for what reason has there been a significant revenue shortfall?

2. For what reasons did Mirabel planners not adjust the Airport's financial plans to take into account the shift in DOT policy which diverted some foreign airline landing rights from Montreal to Toronto?

3. If present conditions remain the same, what will be the projected Mirabel Airport deficit for the fiscal year 1977-78?

4. (a) What avenues is the government presently exploring to lower the Mirabel Airport deficit (b) can an announcement be expected for an airport policy change and, if so, on what date?

Hon. Otto E. Lang (Minister of Transport): 1. Yes, the forecast deficit is $47,500,000. This forecast deficit includes an amount of $43,000,000 carried as the interest charges on the construction costs. Revenues have not reached forecasted levels due to the fact that actual aircraft movement at the Airport was not as great as forecast. One contributing factor was the general downturn in North Atlantic sector traffic for the period in question. In addition connecting flights between Mirabel and other domestic points did not provide a good level of service, in terms of frequency and scheduling.

2. During the development of the Mirabel Airport the financial plans were adjusted periodically to take into account many factors such as construction costs, inflation and anticipated airport activity which included changes due to foreign carriers being granted landing rights in Toronto. Landing rights for some foreign airlines were not diverted from Montreal to Toronto but extended to include the right to serve both Montreal and Toronto.

3. The following financial information has been extracted from the 1977/78 Main Estimates. Operating and Maintenance Costs, $25,403,000; Forecast Revenues, $29,301,000; Surplus, $3,898,000; Amortization, Depreciation and Interest Charges, $60,458,000; Net Loss, $56,560,000.

4. (a) A number of avenues are being studied at the present time to decrease the Mirabel Airport deficit. (i) Mirabel Airport is funded through the Airport Revolving Fund of Transport Canada. The structure of this fund and the means whereby the airports in the fund can be made financially viable are being studied. It is expected that the results of this study will be available by the summer of 1977. (ii) It is anticipated that traffic growth on the North Atlantic will generate new revenue. (iii) Landing fees and other common system charges were increased during the present fiscal year and have contributed to generating additional revenue. (iv) Operating and maintenance procedures at Mirabel are con-

stantly reviewed to ensure that operating and maintenance costs are kept to a minimum, so that new revenue can be applied to retirement of the capital debt. (v) A study is in progress to determine the extent to which realignment of traffic at and between Mirabel and Dorval is feasible, with the aim of increasing the use of Mirabel, (thus increasing revenues) by providing more convenient connecting flights. (b) The study relating to the use of Mirabel will be completed in the Spring and following discussions with the air carriers and other principals concerned, I expect to be in a position to outline any changes proposed for the operating of Mirabel early in the Summer.

CHARTER OF SHIPS TO CNR ATLANTIC REGION

Question No. 1,976—**Mr. MacKay:**

1. From January 1975 to date, have any of the ships (a) Mount Blair (b) Sandy Point (c) Glencoe (d) Ambrose Foote (e) Stevenville (f) Marine Transport (g) Marine Voyageur (h) Newfoundland Coast been chartered to the CNR Atlantic Region and, if so, in each case (i) on what date (ii) at what cost (iii) what was the duration of the charter (iv) what is its cubic capacity (v) who is the owner?

2. Was there any cost to CNR for repairs/refits to and/or maintenance of the ships and, if so, in what amount?

Hon. Otto E. Lang (Minister of Transport): The management of Canadian National Railways advises as follows: 1. From January 1975 to date, the following ships in question were chartered to CN Marine: (a) *Mount Blair*; (b) *Sandy Point*; (c) *Glencoe*; (d) *Ambrose Foote*; (e) *Stephenville*; (f) *Marine Transport*; (g) *Marine Voyager*; (h) *Newfoundland Coast*. (i) The date each vessel was placed on charter is listed below: (a) *Mount Blair,* 19/06/75; (b) *Sandy Point,* 19/06/75; (c) *Glencoe,* 01/09/75 and 29/07/76; (d) *Ambrose Foote,* 30/06/75 and01/06/76; (e) *Stephenville,* 30/06/75; (f) *Marine Transport,* 28/08/75 and 25/05/76; (g) *Marine Voyager*, 17/06/75, 25/05/76 and 24/11/76; (h) *Newfoundland Coast,* 20/05/75 and 26/05/76. (ii) The rate of charter is considered privileged information between the owner and CN Marine in that bids were received in a competitive situation. In order to protect the shipowners' interest, this information is held in confidence. (iii) The duration of each vessel's charter during 1975 and 1976 was as follows: (a) *Mount Blair,* 185 days 1975; (b) *Sandy Point,* 193 days 1975; (c) *Glencoe,* 104 days 1975, 142 days 1976; (d) *Ambrose Foote,* 129 days 1975, 160 days 1976; (e) *Stephenville,* 156 days 1975; (f) *Marine Transport,* 125 days 1975, 220 days 1976; (g) *Marine Voyager,* 196 days 1975, 274 days 1976; (h) *Newfoundland Coast,* 224 days 1975, 182 days 1976. (iv) The cubic capacity of the vessels in question is as follows: (a) *Mount Blair,* 34,699; (b) *Sandy Point,* 42,000; (c) *Glencoe,* 60,907; (d) *Ambrose Foote,* 8,245; (e) *Stephenville,* 16,000; (f) *Marine Transport,* 51,400; (g) *Marine Voyager,* 38,000; (h) *Newfoundland Coast,* 90,000. (v) The vessel owners are as follows: (a) *Mount Blair,* Claymore Shipping Ltd.; (b) *Sandy Point,* Stephenville Shipping Ltd.; (c) *Glencoe,* D. Frampton & Co. Ltd.; (d) *Ambrose Foote,* J.B. Foote & Sons Ltd.; (e) *Stephenville,* Stephenville Shipping Ltd.; (f) *Marine Transport,* Marine Transport Ltd.; (g) *Marine Voyager,* Marine Voyager Ltd.; (h) *Newfoundland Coast,* Newfoundland Marine Services Ltd.

2. Each vessel is chartered on a time charter basis whereby all maintenance and refit are the responsibility of the Owner and the cost of same is included in the charter rate.

CNR—AMOUNT ON BOOKS OF PENSION FUND

Question No. 2,023—**Mr. Knowles (Winnipeg North Centre):**

1. What was the total amount of money on the books of the pension funds of the Canadian National Railways as at (a) December 31, 1974 (b) December 31, 1975 (c) December 31, 1976?

2. What rate of interest was earned on these funds during (a) 1974 (b) 1975 (c) 1976?

3. What amount of interest was credited to these funds during the years ending (a) December 31, 1974 (b) December 31, 1975 (c) December 31, 1976?

4. What amount of money was added to these funds from employee contributions during the years ending (a) December 31, 1974 (b) December 31, 1975 (c) December 31, 1976?

5. What amount of money was added to these funds as regular or current contributions by the Canadian National Railways during the years ending (a) December 31, 1974 (b) December 31, 1975 (c) December 31, 1976?

6. What amount of money was added to these funds in any other way by the Canadian National Railways during the years ending (a) December 31, 1974 (b) December 31, 1975 (c) December 31, 1976?

7. Is money owed to the above funds by the Canadian National Railways and, if so, how much and what arrangements are being made to meet such debt?

8. What was the total amount paid out of the above funds in pensions during the years ending (a) December 31, 1974 (b) December 31, 1975 (c) December 31, 1976?

Hon. Otto E. Lang (Minister of Transport): The management of Canadian National Railways advises as follows: 1. As at December 31, 1974, $1,170,070,599; as at December 31, 1975, $1,295,992,657; as at December 31, 1976, $1,461,873,667.

2. To calculate the yield we have used the Statistics Canada formula, under which the investment is deemed to be opening investments plus closing investments, less earnings divided by two: On this basis, the yield is: 1974, 5.76 per cent; 1975, 5.95 per cent; 1976, 6.33 per cent.

3. Year ended December 31, 1974, $61,131,731; year ended December 31, 1975, $69,727,964; year ended December 31, 1976, $83,377,841.

4.	Year ended	Net
	December 31, 1974	$ 47,897,419
	December 31, 1975	51,609,714
	December 31, 1976	50,057,197
5.	Year ended December 31, 1974	$ 83,838,271
	Year ended December 31, 1975	94,746,365
	Year ended December 31, 1976	116,673,842
6.	Year ended December 31, 1974	$ 12,030,905
	Year ended December 31, 1975	14,766,374
	Year ended December 31, 1976	25,080,781

7. At December 31, 1976 Canadian National Railways owed $4,442,995 representing December items. This amount was paid in January, 1977.

8. Year ended December 31, 1974, $84,672,803; Year ended December 31, 1975, $93,567,159; Year ended December 31, 1976, $109,308,650.

ST. LAWRENCE SEAWAY AUTHORITY

Question No. 2,069—**Mr. Laprise:**

In (a) 1974 (b) 1975 (c) 1976, what interest was charged to the St. Lawrence Seaway Authority and what amount (i) has been paid (ii) is outstanding?

Hon. Otto E. Lang (Minister of Transport): The St. Lawrence Seaway Authority advises as follows:

	TOTAL INTEREST		
	Charged	Paid	Outstanding
(a) Jan. 1-Dec. 31, 1974 (12 Mos.)	$40,899,644	$25,599,644	$15,300,000
(b) Jan. 1/75-Mar. 31/76 (15 Mos.)*	54,428,110	24,828,110	29,600,000
(c) Apr. 1/76-Mar. 31/77 (12 Mos.)	46,175,559	21,175,559	25,000,000

*By Order-in-Council P.C. 1975-799, dated April 8, 1975, the financial year of The St. Lawrence Seaway Authority was changed from the calendar year to the fiscal year. This resulted in a fifteen month accounting period from January 1, 1975, to March 31, 1976 and is reflected in the above figures.

IMPORT/EXPORT CONTAINER TRAFFIC MOVING VIA UNITED STATES PORTS

Question No. 2,086—**Mr. Crouse:**

1. What action has the government taken over the past years to stop the flow of containers with Canadian import/export goods via US ports, in order to help maritime and St. Lawrence ports to retain this traffic?

2. How many more longshoremen would be employed in Canadian ports if such traffic would have moved via Canadian ports?

3. Will the government take any action, in view of the recent statement made by the chairman of the Federal Maritime Commission, to investigate the introduction of legislation in the US Congress which will force all carriers to file rates via Canadian ports?

4. Will the government require the American steamship lines to file their rates with the Canadian Transport Commission?

5. Will the government require the Canadian Transport Commission to scrutinize the rates filed to ascertain whether or not they are compensatory?

Hon. Otto E. Lang (Minister of Transport): The National Harbours Board advises as follows: 1. The government has developed competitive container facilities at major maritime and St. Lawrence ports and contacts users of United States ports to influence utilization of Canadian ports.

2. Due to the difficulty in accurately determining Canadian traffic through United States ports and the various productivity levels for different types of cargo at each port, the net effect on manpower requirements of routing all Canadian traffic through Canadian ports cannot be measured.

3. The government will take whatever action it considers necessary after examining the United States legislation.

4. The government will consider what action would be appropriate after examining the United States legislation.

5. See answer to 4 above.

FEDERAL EMPLOYEES ENGAGED IN PROTECTION AND POLICING OF PUBLIC PROPERTY

Question No. 2,166—**Mr. Stevens:**

As of December 31 (a) 1968 (b) 1976, what was the number of federal employees engaged in the protection and policing of public property?

Hon. Francis Fox (Solicitor General): (a) 174; (b) 773.

NOTE: There has been an increase of 599 members so employed during the period involved. This growth is almost exclusively attributable to the creation, and expansion within the Airport Policing Branch, which increased from 66 members in 1968 to 646 members as of December 31, 1976, a total of 580 members.

REVENUE FROM COMPANIES OPERATING TERMINALS USED BY MANCHESTER LINES, CAST GROUP AND CP SHIPS

Question No. 2,217—**Mr. Forrestall:**

1. For (a) 1974 (b) 1975 (c) 1976, what was the total revenue collected by the National Harbours Board from companies operating the terminal used by (i) Manchester Lines at Montreal (ii) the CAST Group at Montreal (iii) CP ships at Quebec City?

2. In each case, since 1970, was paving or repaving undertaken and, if so, is it fully and directly being recovered from the operator and, if not, what government agency paid for the paving or repaving?

Hon. Otto E. Lang (Minister of Transport): The National Harbours Board advises as follows: 1.

		(i)	(ii)	(iii)
(a)	1974	$826,631	$ 849,350	$802,655
(b)	1975	647,487	876,178	519,081
(c)	1976	708,375	1,007,755	752,773

2. Original paving costs were included in the completed construction costs which are recoverable through terminal revenues, and no subsequent paving costs have been incurred.

OCTOBER 1970 CRISIS

Question No. 2,220—**Mr. Matte:**

1. During the October 1970 crisis, were the families and residences of (a) Senators (b) (i) MPs (ii) MLAs (c) other citizens put under the surveillance of the Army and, if so, how many in each case?

2. Were persons desirous of obtaining such surveillance required to submit a request to a committee and, if so, how many were on the committee?

3. Did the Quebec Provincial Police and other police bodies participate in the operation?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): 1. The Canadian Forces, in support of various police agencies, provided protection to the families and residences of some Senators, Members of Parliament, Members of the Legislative Assembly, and government officials. The numbers varied from day to day throughout the operation.

2. No.

3. Yes, as part of their normal police duties.

DEPRECIATION ON ICEBREAKING VESSELS

Question No. 2,351—**Mr. Forrestall:**

1. For the year (a) 1970 (b) 1971 (c) 1972 (d) 1973 (e) 1974 (f) 1975 (g) 1976, what would be the dollar value of depreciation on all icebreaking vessels owned by the government assuming that the value of the vessels is depreciated over 20 years?

2. For the same years, what is the government's best estimate as to the portion of that depreciation which should be pro rated to icebreaking services in the St. Lawrence River and the Gulf of St. Lawrence in aid of navigation for ships destined to ports on the St. Lawrence River?

Hon. Otto E. Lang (Minister of Transport): 1. Dollar value of depreciation on all icebreaking vessels (Value Depreciated Over 20 years) 1970-71, $6,082,954; 1971-72, $6,138,845; 1972-73, $6,138,417; 1973-74, $5,772,783; 1974-75, $5,801,-972; 1975-76, $5,821,055; 1976-77, $5,849,001.

2. Estimate as to the portion of the depreciation which should be prorated to icebreaking services in the St. Lawrence river and the Gulf of St. Lawrence in Aid of navigation for ships designed to ports on the St. Lawrence River. Based on 1975-76 Costs: Total icebreaking services, $20,919,326; Total icebreaking costs (St. Lawrence river and Gulf of St. Lawrence), $9,788,202;

$$\frac{9,788,202}{20,919,326} = 46.8\%$$

Portion of depreciation which should be prorated, 46.8 per cent.

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 2,350 could be made an order for return, this return would be tabled immediately.

[Mr. Matte.]

[*Text*]

MIGRANT WORKERS

Question No. 2,350—**Mr. Rynard:**

1. For each year 1970 to 1976, by province, how many migrant workers entered the country for the purpose of harvesting (a) fruit (b) vegetable (c) tobacco (d) other crops?

2. For the same years, what was the (a) country of origin (b) cost of transportation to and from the country of origin (c) average daily wage (d) average number of man hours worked daily (e) cost of food and shelter provided?

3. For the same years, by province, what was the total amount of loss, if any, sustained by growers due to unharvested crops?

Return tabled.

[*English*]

Mr. O'Sullivan: Mr. Speaker, I wish to draw to the attention of the parliamentary secretary questions Nos. 1,941 and 1,945 which I placed on the order paper on February 24. I believe the parliamentary secretary will admit that I have not abused the order paper with an abundance of questions. These two concern two Liberal party hacks who have been inflicted upon the civil service of this country. I think the answers are being sat upon. I would like some answers.

Mr. Goodale: Without at all accepting any of the gratuitous elaboration which the hon. member just presented to the House, I will do my best to try to get the answers for him.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Mr. Speaker: Before resuming the debate on Bill C-25 and recognizing the hon. member for Moncton (Mr. Jones) I might do as I did on Tuesday pursuant to the adjustments we have made for this month in our proceedings.

● (1540)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised on the adjournment motion at 6 p.m. are as follows: the hon. member for St. John's West (Mr. Crosbie)—Sports—use of post office for delivery of departmental mail; the hon. member for Sur-

rey-White Rock (Mr. Friesen)—Canadian Broadcasting Corporation—appointment of Mr. O'Neil to head public affairs programming; the hon. member for Vancouver Quadra (Mr. Clarke)—Income Tax—legality of inclusion of benefits from low interest loans as income for tax purposes.

GOVERNMENT ORDERS

CANADIAN HUMAN RIGHTS

MEASURE TO PROTECT PRIVACY OF INDIVIDUALS

The House resumed consideration of the motion (Mr. Basford) that Bill C-25 to extend the present laws of Canada that proscribe discrimination and protect the privacy of individuals be read the third time and do pass.

Mr. Leonard C. Jones (Moncton): As I was saying before the House rose at one o'clock it was not my intention, at first, to speak on this bill. I have now had an opportunity to read the measure more carefully and although I listened intently to what the Minister of Justice (Mr. Basford) had to say, as far as I am concerned it really does not protect one's freedom of association or one's lack of freedom of association; it does not protect an individual from the ravages and sins created by discrimination by political affiliation or the lack of political affiliation, or against discrimination by language or lack of language.

In my own constituency, or, for that matter, in various constituencies across the country, people are being discriminated against in a subtle manner by reason of language, or the lack of it. Under existing employment and hiring practices and promotion practices in the public service, the Armed Forces, Crown agencies and the private sector, too, there certainly are discriminatory practices. Sincere and honourable employees are being punished by reason of language or lack of language. The Official Languages Act and its messy implementation may very well be part of the cause of this language discrimination. The minister tells us this is one of the reasons it was left out of the bill before us. When one speaks to English-speaking public servants and to numerous citizens in the private sector, it becomes obvious there has been discrimination which should have been prohibited by this bill. This discrimination creates hardship and financial difficulty not only for the employees concerned but for their families and all associated with them. Even as far as the Parliamentary staff here on the Hill is concerned, there appears to be clear evidence of inequitable employment practices based on language. I am reliably informed that in at least one branch of the parliamentary staff there is obvious discrimination. I have already drawn this to the attention of Your Honour and I hope the situation will be corrected.

Right here among members of parliament there is discrimination by reason of political affiliation or lack of it. I refer to my own position—my inability to become a member of any of the committees of this House. This type of discrimination runs through the entire system of this House. This type of discrimination runs through the entire system of politics in this nation and I submit it is time it should be halted. This is the type of legislation which should be preventing these two types of discrimination—discrimination by reason of political affiliation, or the lack of it, and discrimination on the basis of language or the lack of it. This situation could have been corrected in Bill C-25. I believe the minister had the power to do so and he should have taken it upon himself here and now to ensure that the ravages and sins of discriminations should not continue in perpetuity.

Mrs. Simma Holt (Vancouver-Kingsway): Thank you very much, Mr. Speaker. I rise to speak on this bill which finally codifies the Liberal—this government's abhorrence of any discrimination against Canada's citizens.

As a woman, and one who comes from a minority racial background—a minority which suffered everything including torture and genocide for 2,000 years—I personally welcome this legislation. I have known discrimination because of race, ethnic origin, religion and sex. Probably, now, I will face it on the basis of age. On the job, sexual discrimination has even been worse than discrimination because of race or ethnic background. It was done more blatantly because of sex. It was done as of right by men. I remember being told I would be the managing editor of my newspaper if I wasn't a woman, and I accepted that situation as being right and proper. I applied for the job as police chief for the City of Vancouver. Twenty-two people applied. I was the only woman. My credentials were considered among the best, but because I was a woman I was not even interviewed. I did not really care whether I became chief or not. I just wanted to let women know that they ought to apply for these executive jobs because one day there would be a human rights bill in Canada, such as is now before us, which would assure that they have, at least, an equal chance to work at jobs of this sort.

I welcome the bill also on behalf of my constituents. At least half of the population of Vancouver-Kingsway is composed, like that of all Canada, of women; many of them in my riding are mothers alone, working women who must hold their jobs and support their families at salaries lower than men have the potential to earn. The costs for food, lodging and the raising of children are the same for women breadwinners as they are for men. However, the opportunities for promotion, or leaving the women job ghettos until this bill comes into force will be nil.

My constituency needs this bill because it is a microcosm of the entire Canadian variety of ethnic cultural beauty. This mix, however, is not recognized by some as beauty. Discrimination does exist. As an illustration of the mix of nations in my riding of Vancouver Kingsway I cite last month's international night at one elementary school—Selkirk. Children of 39 nations, with their parents, jammed into a comparatively small auditorium, sharing their food, their art, their music, dance and costume. It is hard to believe that such beauty can be juxtaposed against cruel incidents of discrimination.

I welcome the bill, also, for the reason mentioned by the hon. member for Fundy-Royal (Mr. Fairweather). It could be atonement for that terrible, black time in Canadian history when the Japanese Canadians of British Columbia were herded from their homes and ridiculed, their property confiscated and their lives uprooted. The newspapers could, then,—and did—produce discriminatory stories calling them "yellow people" and sneering at their lifestyle and culture.

I welcome this legislation too, because racism, such as we saw then, is starting to bloom again in the West. Last week, a Vancouver newspaper of considerable stature, the Vancouver *Province* of the Southam chain, lifted a phrase from a police record to decorate a crime series. All the stories carried a fancy, circled design throughout with the words "Greek connection". I presume the next time an Italian, Chinese, Jew, a Pakistani or Indian gets into high profile trouble there will be decorative art around large letters spelling out "Italian connection", "Chinese connection", "Pakistani connection", "Indian connection" and so on. It may be that passage of this bill will cause the people responsible for this sort of racial slur to think twice before publishing in this manner.

● (1550)

This bill is also timely in view of the Parti Québécois plan to codify discrimination and a seemingly developing attack on all who are not French. Any time a government strives for ethnic purity, its direction is first to exclude from opportunity, joy and even freedom those who are not of that selected racial group. I believe that if René Lévesque continues along his present route with his vocally militant associates—more dangerous, I think, than he himself—we will have a similar situation to that created by Hitler when he sought Aryan purity, or to that in Lebanon where the Moslems are striving for religious purity. I am proud to support a government that introduced this legislation. It is only a pity it took so many years.

Yesterday the hon. member for Calgary North (Mr. Woolliams), a man I respect and admire very much as a learned member of the justice and legal affairs committee, criticized the government with much support from very senior members who were in this House when that party had its brief stint at government. Why, when they formed the government of this land, did they not introduce a law of this sort? Yes, they brought in the toothless Bill of Rights. At least, it seems toothless to a woman who has lived with discrimination. Before that bill and after that bill discrimination continued without abatement or conscience, as I am personally aware. I believed then it was acceptable for men to be in control and for women to be subjugated. I had to accept it, and that Bill of Rights was a door closed against the advancement of women such as myself, as well as against different races.

Mr. O'Sullivan: Nonsense.

Mrs. Holt: My many friends of many races and every woman I knew in the work force were impotent against rules made for men, by men and administered by men. All jobs were administered by men and the Bill stood in its pretty frame on the wall—without meaning to them. Personally—hon. gentleman may disagree—I felt that it inscribed the denial of my equal opportunity.

Mr. O'Sullivan: You are dead wrong.

Mrs. Holt: It did many things to protect people, and it was there and was better than nothing. But hon. members could have brought in a complete human rights bill and saved many women and many races of my generation from hardship and pain of discrimination—could have given them an equal chance. Hon. members had the opportunity that the Minister of Justice (Mr. Basford) had and which he has carried through. I just mention that in passing.

I am proud of this bill because it recognizes, in the language that it uses, that laws and opportunities exist for two sexes in this nation. I was interested to note that in every piece of legislation which has passed through committees the male pronoun has been used. Everyone self-righteously says that we have to look at the Interpretation Act. The Interpretation Act is the grossest form of subliminal discrimination which exists in Canadian statutes. But this bill is unique in that this type of sexist language has been expunged from it. Furthermore, the bill is written not just for lawyers but for people.

I do have some concerns about the bill. To my mind, it is not perfect. I wish the minister had deleted clause 14(*b*) which provides for exceptions. Any time a law allows for exceptions, the powerful and the rich can find a loophole. The minister, on the best advice of the lawyers of his department, added an amendment. I would have preferred it to be spelled out as recommended by the hon. member for New Westminster (Mr. Leggatt), so there was no doubt that the onus is on the employer to prove the grounds for the exception. The minister claims that his amendment does this, but it is not strong enough for one who has seen the powerful employer in large companies discriminate in the cruellest ways against women and those of different races so far as employment opportunities are concerned.

The amendment that I would like to see is the one put forward in committee to provide that the onus shall be on the employer to prove that the occupational requirement is bona fide. This is subtly provided for in the bill, but not strongly enough. I am a person who does not care for subtlety.

I am sure Canada has the quality of justice minister who, upon finding there is abuse, will correct it. In the meantime I am thankful for this bill. Ms. Lyne Kaye, of the National Action Committee, testified before the justice and legal affairs committee that she had hoped there would be no exceptions made, but in order to see the bill through, she compromised. As a minimum, she wanted a narrowing of those exceptions. She said, as reported at page 9:39 of the committee reports for April 26 last:

We feel it is totally unacceptable as it presently stands—

And the minister has changed the bill to meet some of the wishes of the National Action Committee.

—and that the minimum requirement is to have it narrowed right down to seniority and incentive which are the only factors we find reasonable or acceptable.

There are many lawyers I respect. Before I go on to the next part of my speech, I should like to tell the House that the greatest lawyer in this country is going to be in town today, a friend of mine, Mr. Justice George Law Murray. He is not sure if he taught me the law, or I taught him; but he is in town today. I also respect very much the members of the justice committee, with whom I have worked very closely, such as the hon. member for Calgary North (Mr. Woolliams), the hon. member for Fundy-Royal (Mr. Fairweather), the hon. member for Peace River (Mr. Baldwin), the hon. member for Windsor-Walkerville (Mr. MacGuigan), the hon. member for Lafontaine-Rosemont (Mr. Lachance), the hon. member for Toronto-Lakeshore (Mr. Robinson), the hon. member for Lapointe (Mr. Marceau); and if I have missed anyone who is a lawyer, I apologize. I say this because of what I have to say next.

I have had a long career in the courts, probably handling more cases as a journalist—sometimes five or six a day—than most lawyers handle in a lifetime. But I have also seen the manipulations of lawyers, the cruelty they inflict and the games they play because they know the law. Even if they do not know it, they still use their professional training to confuse and to deal rather ruthlessly and cynically with the average citizen.

I have personal experience of this. I like to be personal because the best proof I have is my own, and it is to be found in the area of the hon. member for Edmonton West (Mr. Lambert) and the hon. member for Edmonton Centre (Mr. Paproski). My family has been manipulated out of an estate in Edmonton, and I am sure that every one of us who helped build that estate will spend the rest of our lives fighting the lawyers who know there is much in it for them. I refer to two Edmonton lawyers in private practice and a third lawyer in a trust company, and a so-called trust officer in the famous Canada Trust.

Mr. Lambert (Edmonton West): Mind the libel.

Mrs. Holt: We know they have done this, but because we do not have unlimited money—we have hired lawyers, too—we cannot cope with the situation. This is the law in Canada, and it must be happening everywhere in the country because of the laws lawyers in the departments of government write, the laws carried through here by lawyers, and the laws which are administered and manipulated by lawyers in our society. The hon. member can watch the law of libel because he is a lawyer and can play with people's lives, threatening libel. I resent very much what has happened to my family and to untold others at the hands of lawyers in this land.

An hon. Member: The Minister of Justice is a lawyer, too.

Mrs. Holt: The Minister of Justice is a lawyer I happen to respect.

Mr. Lambert (Edmonton West): You must be sure that what you say is true.

Mrs. Holt: The hon. member does not like to have known what goes on in Edmonton, but the benchers there should start looking into their little household. Another behavioural pattern indigenous to lawyers is that they will not fight for a citizen if they endanger one of their brother's careers. That is happening in the hon. member's fair city. I suppose we could retain a lawyer there—and we finally did—one who was not afraid of the system. So doctors do that, too—protect their erring brothers. Some journalists do that, too. This happens daily throughout the nation because the law is written and administered by lawyers.

This bill has minimized the role of the lawyers. It is written in language understandable to the ordinary citizen, and the tribunal which is to be appointed is non-legal. I was originally very concerned about the amendment having to do with appeals moved by the hon. member for Calgary North. I had to decide what was best, a legal tribunal or a three-person, non-legal tribunal. I made the decision that I would feel safer with the human rights bill under a non-legal tribunal, and I voted against that amendment.

● (1600)

An hon. Member: Oh, oh!

Mrs. Holt: Do not feel badly.

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Vancouver-Kingsway (Mrs. Holt) has the floor, and I suggest we listen.

Mrs. Holt: I am also concerned about another exception, and that is clause 63(2) of this bill which reads as follows:

Nothing in this act affects any provision of the Indian Act or any provision made under or pursuant to that act.

In committee I voted for the deletion of this subclause, on the motion of the hon. member for Fundy-Royal. I feel very strongly that the Indian Act is extremely discriminatory legislation. It is probably the most discriminatory legislation in the statutes of this country. It has a unique basis of discrimination in that it discriminates on the basis of blood. There is also blatant cruelty to women. In this respect, the discrimination is based on the choice of marriage partner, and this is only directed toward women. This continues, despite the concern of the whole nation—which members on the other side have heard—in regard to that legislation and the injustice it imposes.

It exemplifies the worst inverse discrimination by selecting a small group of people for special favours. It builds what I guess could be a billion dollar establishment around this small group, with a budget which runs around $24 million this year for special privileges which no other Canadians have—no, not even all native people, not all native women, not all who have partial Indian blood, and not the remnants of the Indian nations wiped out by other Indian nations.

I hope the Minister of Justice and the government of Canada will look into cleaning up this act or abolishing it. Rather than bringing peace, comfort and freedom to these

people, the government has divided them between themselves and caused them to be weakened throughout the history of this department. It has been a breeding ground for discrimination against women, children and a large number of men. The minister expresses deep concern about the handling of this clause of the bill. He was most sensitive to the concerns of the members of the committee. Perhaps the committee will move one day on this one.

A woman named Mary Two Axe Early came before our committee. She was 72 years of age. I cannot remember whether she told the whole committee, but she told me that the Indian Act should either be abolished, cleaned up or altered considerably. She said that even if the land grants were settled, only a few people would benefit, and that it would not benefit women such as Mary Two Axe Early. Her statements before the committee are probably better than I can paraphrase them. I asked her if she thought there was any benefit in scrubbing the Indian Act. The justice and legal affairs committee report of April 26, at page 9:41, reads:

> The Indian men will never want that Indian Act abolished. They can marry ten white women and all those women will have their rights on the reserves. They are getting money from the government, building homes for them, while their sisters are evicted. They have it too good, they will not want to change it.

She told me that she will never be buried on the reserve near her grandchildren, because she was driven off the reserve even though the wife of her brother, or her cousin—I cannot remember which—who is a white woman, can live in her place on the reserve. Mary Two Axe Early is a native-born Iroquois. The report continues:

> I just wanted to say that I come from the Iroquois confederacy where we were matriarchal, and the government changed us to patriarchal—which is the man. We had clan mothers and I think we had a very good government, social life and everything. All that has changed.

She explained to me that when the Indian Act came into force, the government's dealings were with the Indian Brotherhood; the Indian Sisterhood was ignored.

This bill recognizes human rights. They will actually be realized only when society recognizes these fundamental rights. This bill is a step toward that end. Only when human rights are fully realized will we have a humane and human society.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I want to make just a brief intervention to re-emphasize the point I made on second reading of this bill with regard to clause 8 having to do with immigration. There is a provision in the immigration regulations whereby an applicant aged 35 or over is penalized one point per year to a maximum of ten points. That is totally contrary to the legislation proposed in this bill. Clause 8 deals with employment, the physically handicapped being prohibited employment. Therefore, reference to age is a discriminatory practice and should not be circulated in any form of application for employment.

Any application by immigrants who are sponsored, those who are nominated or individual, independent applications, must be accompanied by a Manpower 1234 form. There are certain exceptions, such as an application for a fiancée or if the individual concerned is going to be bringing in enough money to be deemed an investor in Canada. In those instances the matter of age does not apply. In the normal course of events, an application by a person between 35 and 60 years of age is subject to a penalty of up to 10 points out of 100 points. In order to qualify and to be accepted as an immigrant, 50 points must be obtained, provided the further, and absolutely essential, condition of employment is met.

This piece of legislation is totally hypocritical at this point in time in view of the fact that the government has insisted for years that there shall be a points system. It insisted upon this under the white paper and also under the new bill. To me, this is totally wrong. I do not know how it could have crept in while the government has been encouraging people to hire persons over the age of 35. We know there are problems with group insurance plans, pension plans, and so on. It becomes extraordinarily difficult to fit these people into normal employment. The federal government, the provincial governments and all types of societies have been at pains to try to convince Canadian society which has behaved most mulishly and wrong-headedly in this connection, that any person over 45 was over the hill and unemployable.

I think that is wrong-headed and unjust, and I think the whole Canadian nation should hang their heads in collective shame because we overtly, and all too often silently, consent to this type of practice. We see this perpetrated in the Immigration Act. Why? It is a human right to be 45 years old and not to be discriminated against, in exactly the same way as it is a human right in this country to have a black skin and to be recognized as a human individual, or to observe any creed one chooses.

● (1610)

The Canadian Bill of Rights, passed in 1960, clearly indicates the position of a free Canadian. A number of provincial statutes, such as the Ontario human rights code and the Alberta individual rights code, are extensions of the Canadian Bill of Rights. But this bill is a sort of super blanket introduced in part for cosmetic purposes. Its very definitions condemn this government for allowing the inclusion of provisions in the immigration bill to which I alluded. I spoke to the Minister of Manpower and Immigration (Mr. Cullen) about this matter. Although I raised this point with the Minister of Justice (Mr. Basford) during second reading, he failed to reply to my allegations. I now invite the Minister of Manpower and Immigration, whom I see in the House, to do so.

Mr. Cullen: I am here today.

Mr. Lambert (Edmonton West): The minister is in the House today. Perhaps it is his duty day.

Mr. Cullen: No, it is not. The hon. member is wrong, again.

Mr. Lambert (Edmonton West): Since I saw only two ministers in the House, I was persuaded it was the minister's duty day. I know ministers must serve on duty days and must have days away from the House. I do not criticize the minister

when I say this, but hope he will comment on the point I have made. I have raised that question in correspondence for I do not know how long. I have raised it in many committee meetings considering the estimates of the minister and of his predecessor. I know officials say, "Here we go again." Mr. Speaker, I raise it for this purpose: I insist that there shall be eradicated from our immigration regulations any and all vestiges of prejudice related to age, and that there shall be removed from the points system as it may be set up any provision whereby any person, by reason of age, shall lose points.

Mr. Hnatyshyn: It's fun to be forty.

Mr. Lambert (Edmonton West): I would extend this provision to a person who is the parent of an applicant, provided such person is in good health; in other words, standing up, able to see and to breathe, and not subversive.

Mr. O'Connell: Would that not be discrimination by reason of marital status?

Mr. Lambert (Edmonton West): No; I spoke of a parent. If one applies the rule to a parent, will that be discriminatory? I do not think so. It is a matter of relationship. I am sure the hon. member opposite made his intervention with tongue in both cheeks, as it were.

I say there should be removed from the immigration regulations references to admissibility based on age. I hope the Minister of Manpower and Immigration will intervene on this point because, with all due respect, the House will rise some time in June, all our committees are occupied and I see no prospect of the immigration bill coming back before the end of this month. We hear reports of a new session to be called when the House resumes. Therefore, the immigration bill as presently constituted will die. The minister shakes his head. He must believe in miracles. I do not. I know many people in Canada are exercised about certain provisions of the present immigration bill.

I hope the minister will intervene this afternoon, since there is no way the bill can be reported back, debated, passed on third reading and considered in the other place by the end of the month. We know that members of the other place view with mixed feelings certain provisions of the bill. Consequently, I would advise the minister not to bet on the future viability of that legislation unless we sit all summer. On that unhappy note I will conclude. I ask the Minister of Manpower and Immigration to say how his department hopes to prohibit discrimination by reason of age as presently applied under the points system, and to tell us the proposals concerning a new points system.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I would like to take this opportunity offered by the study of this bill at the report stage to state very clearly the fact that discrimination exists and that you do not have to go very far to find cases of discrimination based on prejudices since we live in an era of prevailing prejudices and witness a kind of discrimination that effects the very nature of Canada. If there are people who know what discrimination means in this country, these are French Canadians who, for centuries, have had to suffer all sorts of injustices for various reasons which should never have existed in the first place. And just to show you, Mr. Speaker, that I am not speaking through my hat, I will mention a particular case where a casual worker at the employ of the federal government is dismissed while other fellow workers doing very similar work are eventually hired on a permanent basis. This case has been submitted to the Minister of Supply and Services (Mr. Goyer). It has also been submitted to a few hon. members opposite. It has even been submitted by myself to the Prime Minister (Mr. Trudeau) who has not found a solution to it. Why? Because they take into account only the opinions of those who are precisely the cause of the discriminatory practices suffered by this employee.

● (1620)

Being quite informed about one side of the story, I would not want to seem to have prejudices of my own, however, as it is our duty here in this House to raise issues involving cases of discrimination toward individuals whose rights must be respected. To illustrate my opinion on the matter, I will take the liberty of reading to you large extracts from the grievances written to me by that Quebecer who lives at 38 Sylvain St. in Gatineau, Quebec, whose name is Gaëtan Pelletier and who has tried for several months to seek justice. He eventually met me and has written to me this letter that explains his case.

Mr. Speaker, if the facts mentioned in that letter are grounded, and I do not see why I should have doubts regarding the circumstances and the facts related to me by this individual, then, it would seem to demonstrate that it is high time for the law to protect the rights of individuals. Here is the quotation:

Gatineau, April 14, 1977

Mr. René Matte,
Member for Champlain,
House of Commons, Ottawa
Dear Sir:

You will find enclosed a copy of my grievance and the answer I received from the department. You will notice that this answer deals only with the first request.

My union informed me today, April 12, 1977, that they cannot pursue the case further because under the law they cannot defend an individual who left government service. Any how, because of the provisions of the Public Service Staff Relations Act, all cases concerning temporary employees have always been lost.

I believe it would be appropriate to amend sections 90 and 91 of the Public Service Staff Relations Act.

After complaining that the union did not defend his grievance, he continues and I quote:

The minister, Jean-Pierre Goyer, did not make any research, he only asked the reasons to those who are against me. If Parliament can order a royal investigation into the CBC, why could it not do the same to compensate for injustice perpetrated against me?

What does the minister mean by colleagues? If he means the same opportunities as my French-speaking colleagues, it is questionable. But if he means the same opportunities as my English-speaking colleagues, then I say the minister is not well informed.

As for the paragraph where Mr. Goyer says that the union dropped my complaint for discrimination, it is not correct. I did not file an official grievance; all I did was ask what the union could do for me. My informal complaint concerned discrimination between English-speaking and French-speaking employees.

What was even more unfair, was that I managed to make Mr. Mereweather understand that the University of Quebec courses met the requirements and that, moreover, francophones are seriously discriminated against compared to anglophones. I was allowed to register provided my employers agreed. They denied me this opportunity that I had worked so hard to get under the pretext that the office would gain nothing by it. I emphasize that I was the only one able to take that course, as my French-speaking colleagues were too late to register.

The only alternative the union offered me, since a casual employee has no rights, was to inform the media of the facts concerning the unfair treatment I got. Mr. Yvon Billard made it clear to me that the union could not promise me this would work, but that my only chance was the pressure of public opinion. I preferred to let the whole matter drop because anglophone opinion cannot care less about the manner in which francophones are treated.

Mr. Goyer claims that my employers are all of the same origin as myself. In that case, why did they not obtain for French-speaking employees what English-speaking employees already had? How is it that a CR4 managed to get in one hour and 45 minutes what had never been done in 2½ years? How is it that Mr. Fernand Labelle told me that it was not his fault if I was educated in Quebec, that it was not his fault if I had registered with the Quebec CGA? These people may be francophiles, but they are not francophones and even less Quebecers. How is it that before November 15, 1976, the memos from those people were written only in English?

It is strange that Mr. Jean-Pierre Goyer does not dare to give the reasons why the CRTC no longer wanted me. I find it disgusting and immoral that they used facts which I could not disprove. I can give you the list of those reasons after having pressed H. Lane for a month to tell me.

Reasons:

1. My Quebec flag was not appreciated;

2. the employee with whom I shared an office did not want me to turn on the ceiling lights;

3. I am accused of wanting to rearrange the files that I was supposed to update.

Mr. Speaker, the letter goes on in the same vein, with a whole series of facts as reported by that Mr. Pelletier and which, I suggest, show clearly enough that discrimination does exist. Even if those allegations were disproved by claiming that the matter was investigated and that the facts were not so, Mr. Speaker, it would be quite paradoxical on our part to think that someone who seems intelligent would suddenly make up the whole story. Therefore, I believe the situation I am now denouncing has existed for years, and if no more employees have complained, it is not because they had nothing to complain about, but junior employees do not dare claim their rights because they are afraid of retaliation as a result.

Therefore, Mr. Speaker, as can be seen, this letter was written only a few months ago, and as I happened to find out many times as well the situation thus denounced, namely that individual case which I submit to my colleagues in this House, happens time and again. For instance, when two young men, one from Quebec and the other from Ontario, with about the same education level, apply for a job, since the whole federal administration system is divised for the benefit of the English-speaking majority, there is basically a discrimination against the French-speaking applicant. This is what happened in the case I have just referred to, where a man was told that he could not be a permanent employee and would be laid off simply because he had been educated in Quebec.

● (1630)

Mr. Speaker, it is unbelievable to see senior officials give answers like that in 1977, particularly when on top of that we now live in confusion about the future of this country from a constitutional standpoint. Those little things where one cannot display the Quebec flag because one works in a federal government office, on what grounds does that person not have the right to do that? So it is time that the law allowed those people who are caught in the tongs of prejudices and discrimination to be able to defend themselves adequately.

I do think that those were the intentions of the minister when he introduced his bill but I wanted to show that this bill must not just remain theory and that there should be no more cases like the one I just spoke about in detail where an individual can suffer serious personal injustices for the simple reason that the laws do not allow him to further defend himself and we have to refer precisely to those against whom grievances are laid. I mention that incident hoping it will enable us to set things right not only in this case but also in all cases of other individuals who in the public service or elsewhere are discriminated against in this way.

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, would the hon. member allow a question?

Mr. Matte: Of course.

Mr. Cyr: Mr. Speaker, can the hon. member say whether he would approach the government of the province of Quebec so the Canadian flag would be raised in the schools of the province of Quebec, as is done elsewhere, and to put an end to the current discrimination on the part of the government of the province?

Mr. Matte: Mr. Speaker, I do not see much discrimination there. I think there is no problem in that respect. The hon. member will note that I am wearing a badge that says: Proud to be a Quebecer, with the Canadian flag on top. I do not see any kind of incompatibility between the two, and I do not think there is any such thing since it always gives me great pleasure to send Canadian flags to schools in my riding which they display quite proudly beside the Quebec flag. I think the hon. member is missing the point here. There is no discrimination vis-à-vis the Canadian flag even if Quebec now has a government with a constitutional option for the future not only of Quebec but the whole country, and I do not think that is part of the debate.

Mr. Armand Caouette (Villeneuve): Mr. Speaker, as all those who have spoken on this bill since the beginning of the debate, I think individual freedom and protection of privacy are essential matters. We should ask ourselves the following question: will the bill now before us, namely bill C-25, truly contribute to ensure individual freedom and independence for all people in spite of the overwhelming bureaucracy and more particularly, data collecting agencies which are responsible for gathering personal information on individuals? It is clear that this bill means well, just as the road to hell is paved with good

intentions. It is an ambitious piece of legislation which aims at putting an end to all forms of discrimination through the appointment of a board and a tribunal on human rights.

These two bodies might become another administrative mess as well, bulging with ineffective officials trying to solve discrimination problems. Mr. Speaker, judging by the usual measures taken by this government, there is every reason to believe and especially to fear, that all this commission and this tribunal will do will be to reduce unemployment somewhat by providing good jobs at high salaries to a few cronies of the Liberal party. But, as I said, Mr. Speaker, it is possible, if not probable, that the government introduced this bill with the best intentions. For my part, I believe that we are once more on the wrong track with this kind of bill. It is not by setting up commissions, subcommissions and subcommittees that we are going to solve our problems. It is not either, Mr. Speaker, by lavishing money on problems that we will find answers. Before legislating to solve a problem, we should always ask ourselves whether legislation is a good means, an effective means of solving the problem. In the present case, the problem seems to be one of discrimination in all its aspects and of protection of privacy.

In fact, our interest in such problems is the economic implications of discrimination and violation of privacy. It is a fact that a person cannot get a particular job because of discrimination, or that an individual loses his job because of a report concerning his private life he was never informed of. In both instances, the individual that is economically dependent on the job he is seeking or the one he is losing is subjected to economic hardship by the unacceptable actions of his current or potential employer.

As I said, Mr. Speaker, the individual is victimized in that his economic position, his economic security are jeopardized by the unacceptable actions of some individual who is in a position to cause financial harm to those against whom he is prejudiced because of the colour of their skin or the length of their hair. As far as I am concerned, they are the victims of discrimination, and I suggest that above anything else they cry out for the protection of their dignity. And the best way to protect an individual's dignity is to put him in a position where he will not be dependent upon those who want to revile him. Whenever he is independent from those who would deprive him of his rights, he can protect himself against their scorn and unacceptable behaviour. If, on the other hand, he is dependent, because for instance he absolutely needs the job that is available, he is automatically in a dependent position. Mr. Speaker, the law can force an employer to hire an individual, but it cannot prevent the employer from despising that individual or hurting him with subtle harassment that affects him deep down.

● (1640)

The tribunal is not always aware of the facts. The commission will not always be in a position to assess the quality of the relationship between the employer and the employee. Consequently, the main effect of this well meaning legislation, as I said a while ago, will be to place discrimination sufferers under the control of the individual whose only aim is to strike a blow at his dignity and integrity. Mr. Speaker, is that the purpose of this legislation? I am convinced it is not. We all wish to make discrimination impossible, because it affects the dignity of the individual. We suggest that a person can be protected against discrimination only if his economic interests are protected against those who try to discriminate against him. Mr. Speaker, we may wonder how it can be done. We feel that by ensuring the economic security of each person, we would ensure individual freedom for all. No person is free if he is financially dependent. If he must crawl on all fours to earn his living, he is not free, he is utterly at the mercy of the person who gives him a mere pittance.

That is why, Mr. Speaker, Socreds have been demanding for several years a guaranteed annual income for each and every citizen as a basic and unquestionable right. We regard the guaranteed annual income as the basis of individual freedom. A person who has a guaranteed income does not need to ingratiate himself with, or work for, an employer who despises or is prejudiced against him. How many times, Mr. Speaker, did our dear and sorely missed friend Réal Caouette mention how undignified it was for people over 65 to have to beg for any kind of menial work, because the government would not support them, when they could have stayed at home with the guaranteed income we are proposing.

Mr. Speaker, of course the guaranteed income will only be possible if we agree to a fundamental restructuring of our present economic system. The reforms we advocate are an essential prerequisite in that regard. I am afraid that members of other parties do not give social credit principles and solutions the attention they deserve. It may be because they think they know them well enough already, or perhaps because they are satisfied with the present situation. Judging by what some government members are saying, I am afraid those were not and never will be understood. The fact that they are pressing for urgent measures to solve our economic problems is evidence to me that they are not satisfied with the present situation. On the other hand, their everyday attitude demonstrates that they know nothing about the principles and solutions advocated by our party.

It is impossible to understand Social Credit unless one accepts from the outset the fact that changes advocated by this party imply fundamental changes in our economic system. The reason is very simple: the defects of the present economic system are so deep that the only possible solution lies in rethinking and rebuilding the financial system on new bases by adopting new principles. If one wants to understand Social Credit, the most logical procedure is to consult the works of its founder, Major C. H. Douglas. In 1933, replying to two professors who were critical of his ideas, as are many members in this House towards Social Credit representatives, he stated in a few words what he found wrong with the current economic system, and I quote:

First of all, financial credit claims to be, but is not, a reflection of real credit. This means that our society's financial organization neglects true factors of production and consumption.

There is no logical and automatic relationship between, say, the capacity of the people to purchase goods and the capacity of the producing system to make them available.

That, the same Major Douglas used to say, is the main result of technological progress. Yet, we must admit that financial costs keep increasing, and this in spite of technological progress. It is therefore evident that the current financial system must distort reality. But let us push this line of reasoning a little further. It is generally recognized that we can improve our economic situation during any given period, that is to say our productivity is greater than what we are spending to market it. In other words, consumption is then only a fraction of production. Now, Mr. Speaker, if we want our economic system to reflect reality and if we accept the idea that the true cost of production is consumption, this means that if we want the public to have access to our production as a whole we must share among our people the purchasing power which represents the difference between what is consumed in the production process and the amount of production.

As for us, Mr. Speaker, we think that the guaranteed annual income we are proposing could be paid to every individual on the basis of this gap existing between the available production and the purchasing power now available to them. Accordingly, we would be better advised to try first of all to secure economic independence for every citizen, really without any discrimination, and give to every one regardless of colour, sex or hair length, a guaranteed annual income as a matter of basic right. So, Mr. Speaker, nobody would have, as it is proposed in this legislation, to work for an employer who could harass him because he is prejudiced against him.

The commission and the tribunal provided under this legislation will only be able to place an individual in a dependent position towards his employer by allowing him to work for someone capable of subtly torturing him by his scorn. Mr. Speaker, what I suggest and what we have always suggested is to allow the individual to be financially independent so he may have a decent life without having, in order to make both ends meet, to work for an employer seeking to humiliate him. This is, Mr. Speaker, a sensible position. This is a reasonable position. This is a proposition which could ensure respect for human dignity without going through the bureaucracy and the red tape which we will be facing when this bill is accepted at second reading. Then perhaps everybody, even some hon. members, may live to regret having endorsed the bill.

● (1650)

[*English*]

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

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

[Mr. Caouette (Villeneuve).]

CANADA DEPOSIT INSURANCE CORPORATION ACT

AMENDMENTS RESPECTING PREMIUMS, SHARE CAPITAL, ETC.

The House proceeded to the consideration of Bill C-3, to amend the Canada Deposit Insurance Corporation Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

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

That Bill C-3, an act to amend the Canada Deposit Insurance Corporation Act, be amended in clause 9, by striking out line 42 at page 6 and substituting the following therefor:

"a deposit.

(4) Notwithstanding subsection (1), for the purposes of deposit insurance with the corporation, where moneys are received by a member institution on or after April 1, 1977, for which the member institution has issued or is obligated to issue an instrument of indebtedness other than a draft, certified draft or cheque, travelers' cheque, prepaid letter of credit or money order,

(*a*) the moneys do not constitute a deposit unless the instrument and records of the member institution specify the person entitled, at the date of issue of the instrument, to the repayment of the moneys evidenced thereby;

(*b*) the person referred to in paragraph (*a*) shall be deemed to be the depositor in respect of the moneys unless particulars of a transfer of the instrument are entered in the records of the member institution in which case the most recent transferee shown in the records shall be deemed to be the depositor; and

(*c*) the entry of a transfer in the records of a member institution is ineffective, if the entry is made subsequent to the termination or cancellation of the deposit insurance of the member institution.

(5) Notwithstanding subsection (1), moneys received by a member institution on or after January 1, 1977, for which the institution has issued or is obligated to issue an instrument of indebtedness other than a draft, certified draft or cheque, travellers' cheque, prepaid letter of credit or money order, do not constitute a deposit where the instrument is payable outside Canada or in a currency other than Canadian currency."

He said: Mr. Speaker, I wish to give just a few words of explanation about the amendment. The present definition of "deposits", as it is in the act now, broadly speaking includes all demand deposits in Canadian dollars and all term deposits having a maturity of five years or less. Term deposits in this sense would include guaranteed investment certificates issued by trust companies and debentures issued by mortgage loan companies. One of the changes proposed in the definition would withdraw deposit insurance from debentures or deposit receipts that are issued in bearer form.

Since insurance is limited to $20,000 per person per institution, it is essential that the deposits be in registered form in order that a determination may be made concerning the amount of deposit insurance. When the act was originally passed, this was not considered to be a problem, but in recent years there seems to have been some tendency toward the use of bearer-type instruments. A provision to this effect was included in the original terms of Bill C-3. However, as a result of scrutiny of the bill, by the financial community in particular, it became apparent that the provisions as put forward did not adequately meet the problems or the demands of the market. It was on the basis of this that a redraft was considered and the present amendment put forward.

One problem that has come to light is dealt with in subclause (5) of the amendment. Not only are we dealing here with bearer-type instruments but with the issue of instruments

to holders outside of Canada in currencies other than Canadian dollars. The amendment to the bill arose by reason of the floating of an issue of debentures in the European market, using as part of the sale's presentation the fact that the debentures, as issued, would be insured by the Canada Deposit Insurance Corporation. It was the view of the directors of the CDIC that the use of deposit insurance in this way was not in accordance with the general intention of deposit insurance and, consequently, this type of debt instrument should not, in the future, be eligible for deposit insurance.

The amendment, accordingly, proposed that instruments intended for sale abroad not be considered as representing a deposit, and also that bearer instruments not be considered as insured deposits. It was not intended to withdraw insurance from deposits made in Canada by non-residents. The revised wording has the advantage over the preceding wording, first, that questions of the validity of transfers of instruments are not raised. Instead, it is provided that an instrument does not represent an insured deposit unless the name of the payee is registered on the records of the issuing institution. As I indicated, the purpose was for clarification. There is a belief now in the financial community that this meets the requirement. As I said before, a number of the types of instruments issued in the manner in which they were issued went well beyond the original purpose of the deposit insurance. It is for this reason the limitation has been put forward.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in replying to the statement of the minister with respect to his proposed amendment, I remind hon. members that this is actually the second version of the amendment that the Minister of Finance (Mr. Macdonald) has proposed with regard to this change. I would point out that when the committee reviewed Bill C-3 it was not asked to consider this amendment. There was no suggestion that there was a problem at the time the committee studied the bill. It is most unfortunate that this lack of foresight is so evident in so far as the government's actions are concerned.

It is not just the economy that the government is running poorly. They are running their own internal administration very poorly in the sense that they bring bills into this House, take them to committee, make no mention of further amendments, and by the time they get to report stage, with apparently no particular demand from any source they propose new amendments, then withdraw those amendments and give us an amendment such as we have today.

I was rather surprised to hear the minister say that the amendment in its present form is acceptable to the industry. That is not my understanding. Over the dinner-hour I am going to check with the president of the Trust Association in Canada to find out whether at the last minute he acceded to the suggestion the minister has made.

It is a fairly important amendment that we are considering. Through the innovation of certain trust companies and loan companies we have been able to win some foreign funds expressed in Canadian dollars for the benefit of those who need mortgage money in Canada. As we know, mortgage interest rates are unduly high in Canada. They are certainly unduly high compared to mortgage rates in many other countries. Our trust and loan companies have found there is a market for the sale of their debentures or guaranteed investment certificates in these foreign countries. Because they have shown that initiative, because they have been true entrepreneurs, the government steps in and says they do not want them to bring in these funds from foreign countries. The impact of this amendment is to make it difficult for the trust and loan companies to attract these funds and offer the general insurance provisions of the CDIC. We in the House must consider whether that is a wise move.

I hope the minister will respond to some questions later in the debate in order to give us some insight into why he and the Department of Finance believe we should accede to this request. Why are we making it more difficult to bring mortgage money into the country? That is the net impact of the amendment we are now considering.

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

PRIVATE MEMBERS' BILLS

[*Translation*]

Mr. Deputy Speaker: The hon. member for Villeneuve on a point of order.

Mr. Caouette (Villeneuve): Mr. Speaker, I ask the unanimous consent of the House so that the bill appearing in the name of Mr. Réal Caouette, former member for Témiscamingue, that is Bill C-215, be transferred to the name of the hon. member for Richmond, Mr. Léonel Beaudoin, and that Bills C-257 and C-288 also in the name of Mr. Réal Caouette, be transferred to the name of Mr. André Fortin, member for Lotbinière.

● (1700)

[*English*]

Mr. Goodale: I certainly would have no objection to that proposal, but I would ask the hon. gentleman to allow us a little time in which to consider its regularity from a procedural point of view. I would be happy to take it up with the House leaders—

Mr. Knowles (Winnipeg North Centre): We would agree right now.

Mr. Paproski: And we would give consent.

Mr. Deputy Speaker: Of course, unanimous consent would be needed, but I do not see why we should not follow the

suggestion of the parliamentary secretary. It might be done this afternoon.

[*Translation*]

I think that the hon. member, who needs the unanimous consent, cannot reject the proposal of the Parliamentary Secretary to the President of the Privy Council (Mr. Goodale) who is merely asking for a delay. The House seems willing to accept that solution and the Chair would be prepared to put the question in due time.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I understand the reservation made by the parliamentary secretary. However, I thought that the hon. member for Villeneuve (Mr. Caouette) and the government representatives had met in that connection to obtain the unanimous consent and make the change. Evidently, the parliamentary secretary needs some delay to think about it and it could mean various things. It could mean two hours, five hours and even five months. I would like that delay, if necessary, to be as short as possible so that in a few days the bills would appear on the order paper under the names of the members suggested by the hon. member for Villeneuve.

[*English*]

Mr. Goodale: I shall certainly try to deal with the matter before six o'clock today.

Mr. O'Connell: On a point of order, Mr. Speaker, I understand that as a result of discussions which have taken place there is general agreement that we should spend the first part of private members' hour on Bill C-1001, with the understanding that if we complete that debate we shall revert to Bill S-2.

Mr. Deputy Speaker: Does the House agree?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): This is one occasion on which the hon. member for Assiniboia did not say "No".

PRIVATE BILLS

[*Translation*]

CONTINENTAL BANK OF CANADA

MEASURE TO CONVERT IAC INTO CHARTERED BANK

The House resumed, from Thursday, May 5, 1977, consideration of the motion of Mr. Reid that Bill C-1001, to incorporate Continental Bank of Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. René Matte (Champlain): Mr. Speaker, I should like to take a few minutes to conclude the remarks I made on May 5, remarks which meant to demonstrate that if we are serious in the House, we should, before we grant IAC its request, be able to answer very precise questions on the grounds for granting this company its request. For instance, why does IAC want to become a chartered bank? Why should we grant it a charter and, if we do, why not grant similar powers in other areas, to ease the creation of credit?

Mr. Speaker, the answer is obvious: why does IAC want a charter? To make profits, but more easily than it does by lending real capital since, to lend real capital one has to have it, while banks, through their charter, can lend air, credit, and consequently, can lend figures; so, one readily understands that making profits out of nothing is interesting and consequently that is the goal IAC has set for itself.

One could ask: Why should IAC not be granted a charter when dozens of other financial institutions across the land are? To that I would say that I object to its request because it does not need a charter. Do we really need, at this point in time, more financial institutions to make things easier for the consumer where credit is concerned? No. I would go even further and say that, on the contrary, there are enough of them. One can then wonder whether a new bank is being created to give more services, with which I would agree; but I doubt that it is the case in this instance, and I proved it on May 5. On the other hand, if we agree to give that charter, we should take advantage of the situation to have a say about what is good for IAC shareholders.

Why should it not be good for the Canadian provinces also? Why, in other words, should the provinces not be able to turn to that possibility and create the credit they need and so achieve the progress that is essential to their development? Mr. Speaker, the question is quite simple, and we have been putting it to the House for years; but, unfortunately, it is a question to which we have been refused an adequate answer.

● (1710)

Of course the principle under which IAC could lend up to $16 million against a $1 million deposit is not bad in itself, if we have the potential. But in the current inflationary crisis where indeed we are witnessing a day-to-day price escalation the end of which is not in sight, we must wonder how long we can go on approving new financial institutions when the problem is the people's purchasing power. People have no real capacity either to buy what they need in everyday life, because the system has finally succeeded in creating all by itself a genuine inflation, or to sustain the level of production that may be needed.

If we in this House decided on granting what IAC wish, we would be inconsistent. We would solve none of our current problems, we would simply allow financiers to exploit the people still further by granting loans with rather high interests rates. To conclude, Mr. Speaker, I oppose the granting of a new charter to IAC, to the extent further that the same principle is disallowed when it comes to the government helping citizens achieve what would be needed for the progress of our country as a whole.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to express very briefly my views on second reading of Bill C-1001, concerning the corporation commonly known as IAC, which is requesting a bank charter under the corporate name of Continental Bank of Canada.

Mr. Speaker, I have often questioned in this House the principle of granting chartered banks the right to make money out of the nation's credit, to allow institutions to make profits by creating the deposits needed for private industry and even the government to make certain operations. Looking at statistics, we realize that the Canadian banking system is making profits while other segments of the economy are hard put to survive. We are even experiencing a high rate of bankruptcies by Canadians firms, headed by experienced people but not afforded the privileges granted to chartered banks. The right hon. Prime Minister himself (Mr. Trudeau), in an interview given to *Fortune* magazine, was emphatic about this, bitterly complaining about bankers.

Having said that both inflation and unemployment are high at the same time he asks: "What do bankers say to that?"

He was asked that question: What do they say? Here is his answer, Mr. Speaker, and I quote:

I shall tell you what they say. They say that the federal government interferes too much in business, that the government must put an end to that policy, that that policy of interference is at the root of all our problems.

He added, and this is what I find unbelievable, Mr. Speaker, it expresses the conviction of the Prime Minister (Mr. Trudeau) and it is the same conviction I want to express myself. He said this, and I quote:

"The worst grumblers . . .

What is a grumbler? It is somebody who has all the advantages possible and yet complains about the fact that others have some advantages. So he said this, and I quote:

"The worst grumblers are bankers. They have never had it so good since I am at the head of the government.

He rightly added, and I quote:

I am ashamed. They make much more profits than the manufacturing sector, the natural resources sector and the service area as a whole.

They are at the top of the scale as regards profits. This is understandable. Mr. Speaker, if I enjoyed the same advantages, you can be sure that I would have at my disposal almost inexhaustible revenue sources which would enable me to be among those who make up what is known as the financial dictatorship. But as I do not have such means and I am in a position to realize they are in the hands of private institutions which compete with the state financial system, I believe it is my duty as a member of parliament to tell the House it is time for this situation to change.

Mr. Speaker, I am aware that the government has introduced legislation asking Parliament to postpone the introduction of a banking legislation which should normally expire in 1977, since under the law, the legislation concerning banking institutions and chartered banks must be reviewed every ten years, but as the years go by, this government, with the approval of chartered banks, is about to skip a decade. By continuously postponing reconsideration of legislation, we manage to delay and this year we are still delaying so that we might succeed in skipping a whole decade. But that is not the point.

The Canadian banking system goes back to 1817, according to some research I have made, when nine Montreal merchants went into partnership to carry banking operations. Similarly, two banks without statute began to operate in Lower Canada in 1818. The first to have a legal status was the Bank of New Brunswick, the smallest of the provinces in Confederation. Its incorporation was considered by the provincial legislature and received royal assent in 1820. The other three banks of Lower Canada did not get their charter before 1822. Other banks were established in the following years; most of them under provincial charters which tried to guarantee their stability and security. In 1850, an act which provided the free operation of banks in this province, inspired by the New York State legislation on the freedom of banks, was passed in the province of Canada.

Under that act individuals, alone or in partnership, and limited companies could set up banks if they had a minimum capital of $100,000. However, those banks could not have branches and their liability could not exceed three times the amount of the paid-in capital. Notes intended for circulation had to be obtained from the receiver general of the province and guaranteed by a deposit of an equivalent amount in government bonds. Those notes had to constitute a preferential debt on the liability of banks and were convertible on demand in gold. The act allowed any commercial bank which already had the right to issue notes to forgo that right in part or in its entirety. Those government notes were not subject to the 1 per cent tax set up in 1841 on bank notes in circulation.

Senior members in this House will remember seeing notes of different Canadian chartered banks. But after the Bank of Canada was set up in 1935, chartered bank notes gradually disappeared from circulation and were replaced by Bank of Canada notes. But the fact that chartered banks relinquished such privileges did not stop them from continuing to control and monetize the credit of the nation. So much so that in 1976, according to Statistics Canada, the money supply in Canada stood at $71 billion and was controlled in a proportion of up to $66 billion by chartered banks in Canada through the creation of deposits to make loans to institutions, businesses, or even governments either of Canada or the provinces.

Mr. Speaker, that provision regarding the multiplication of credit organized and allowed by the legislation provides that with a reserve of 8 per cent a bank may create deposits and lend money known as bank money. Under the law, that allows banks with, let us say 8 per cent reserves on which the bank pays interest, to create deposits and lend up to $100 to private borrowers, I think, or governments. If this is not a case of a government relinquishing its right to control the creation of currency under the form of credit, I wonder what it is. Mr. Speaker, I understand quite well that the fact that creating a bank or letting one disappear is not going to change anything

to the system, and when a corporation applies to become a chartered bank putting forth as an argument that this will enhance competition in Canada and in so doing lower interest rates, I do not believe it, because at one time we had 25 banks in Canada and competition was no fiercer than today.

These banks have merged over the years, with or without permission being granted by the Canadian government and we have reached a state when we now have only 10 chartered banks and the most recent one created by an act of Parliament, the Unity Bank, is in the process of merging with the Provincial Bank of Canada. Even if there were 12 or even 15 they will still have the same privileges of creating money for the purpose of making loans either to individuals or to the government, and that is precisely what is wrong with the system.

Mr. Speaker, chartered banks should be subject to the same legislation as savings or credit cooperatives, which cannot lend money by creating deposits and which must use deposits made by members of the institutions. It is this formula that we oppose, this generosity on the part of Parliament, this privilege for these new institutions, the issue of new bank charters to people or corporations wanting to become incorporated under the Bank Act.

I would like my contribution to be understood by all Canadians because I am convinced of one thing, and that is that if all Canadians were truly aware of the way in which our chartered banks operate because of legislation passed by Parliament, not many of them would approve of the monetary system of our country. The private monetary system is in the hands of the chartered banks, which control the money supply of the country and before whom the Canadian government has to go down on hands and knees to obtain the necessary credits to be able to face the many problems of our country. This is why we have inflation. This is why the government and the whole country are now facing serious unemployment. It is because money has become the monopoly of these institutions instead of the servant of the whole nation.

Even if I talked for one hour, I know that it would change nothing in the situation. I am aware of this, but at least I want to do my duty as a representative of the people and to make every effort to urge for a change of this situation. Nevertheless, I know that the majority will necessarily win eventually, but I will surely have the opportunity to speak again before the Committee on Finance, Trade and Economic Affairs if the bill is referred to this committee for future study, and we shall certainly then be able to suggest amendments so that at least the bill may correspond to the general legislation instead of providing for exceptions. Many clauses of this bill are in contradiction of the Bank of Canada Act.

We can see exceptions for this and that if at least we stick to the letter of the Bank of Canada Act and of the legislation requiring that a bank charter be given to some institutions or businesses in conformity with the present statute. In any case, I hope that in the next twelve months at least we will have the opportunity in the House to discuss in depth all this banking legislation, our monetary system and that, together, we will endeavour to correct this whole system to serve the government and the whole nation so that instead of having a people prostrate before the dollar sign, we have a people which forces the dollar symbol to serve the nation.

• (1720)

[*English*]

Mr. Deputy Speaker: Order, please. I wish to bring to the attention of the House that if I give the floor to the hon. member for Kenora-Rainy River (Mr. Reid) at this time he will close the debate.

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, I want to thank hon. members for their co-operation. I want to assure members that when the bill is in committee very attentive consideration will be given to amendments which have been proposed and which will be proposed. I want, also, to thank the hon. member for Scarborough East (Mr. O'Connell) for deferring to me today in order to permit this bill to come forward.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Goodale: Mr. Speaker, I would like to respond to the point of order which was raised at the beginning of private members' hour with respect to three bills which have been standing on the order paper in the name of the late Mr. Caouette, Bill C-215, Bill C-257 and Bill C-288.

• (1730)

It was proposed that the House might agree unanimously to having the names of other hon. members substituted as the proposers of those particular bills. I said earlier that, although I had no fundamental objection, I would want to inquire about this proposal. I have made those inquiries and can report that we agree to the suggestion which has been made. I point out to hon. members that in order to expedite business in private members' hour we have gone through the list of bills as they have been coming forward for debate. We have made a commitment to deal with the bill standing in the name of the hon. member for St. John's East (Mr. McGrath) on June 10. Beyond that, we have made no commitment. I ask for the indulgence of hon. members in order that we may be able to fulfil that commitment and so expedite the business of private members' hour. Beyond that slight procedural reservation, we agree to dealing with the matter as proposed at the beginning of this hour.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we agreed to this request at five o'clock, and we still agree to it.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wonder why that restriction. The House is merely asked to substitute for the name of the late hon. member for Témiscamingue that

of another hon. member, so that when they come up as usual, in the established order, when they are called, someone will be able to answer instead of Mr. Réal Caouette who cannot be with us. It changes nothing in the procedure. It merely means that we want to make sure the bill will have a sponsor present here in the House.

[*English*]

Mr. Goodale: Mr. Speaker, I do not disagree with the hon. member, for that is precisely what I have agreed to on behalf of the government. I wanted to alert the House to the commitment we had made with respect to one item of business for June 10. Beyond that, we intend to deal with the entire private members' business list in the usual way, with the names to be substituted.

[*Translation*]

Mr. Deputy Speaker: Order. It seems the hon. member for Bellechasse (Mr. Lambert) now understands that, in short, the government had merely come to an agreement with the hon. member for St. John's East (Mr. McGrath), bearing in mind that the bill that could have been studied on June 10 was listed under the name of Mr. Caouette. So, because of the change, I am sure he would not want any change to be made in the agreement reached with the hon. member for St. John's East on Bill C-229.

[*English*]

Is it agreed unanimously that Bills C-215, C-257 and C-288 in the name of the late Mr. Caouette shall be transferred in the following manner: Bill C-215 shall appear in the name of the hon. member for Richmond (Mr. Beaudoin); and Bills C-257 and C-288 shall appear in the name of the hon. member for Lotbinière (Mr. Fortin). Is this agreed?

Some hon. Members: Agreed.

BELL CANADA

The House resumed from Thursday, March 10, consideration of the motion of Mr. O'Connell that Bill S-2, respecting Bell Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Deputy Speaker: Order, please. Before I recognize the hon. member for Timiskaming (Mr. Peters) again, may I inform him that he has already spoken for 17 minutes and has three minutes of his time left.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I would have been more pleased if Your Honour had not told me how limited my time is; however, at least I know. When I spoke on March 10 of this year I said Bell Canada is hoodwinking us in its application with regard to its capital structure. Its relationships with its subscribers are not what they appear. The company is not operating, I suggest, only as a public utility. It has a monopoly hold on certain sectors of the economy and the activities of certain of its subsidiaries are highly questionable.

I am pleased to note that by reason of government action, deliberate or otherwise, the CRTC, and not the Canadian Transport Commission, is to oversee the functioning of Bell Canada. By so doing the government made a wise choice. Although the commission has not looked into the question of stock relationships, it has criticized the company's operations, particularly the operations of certain subsidiary companies the operations of which it is difficult for the company's shareholders to control. Actually a large majority of the company's Canadian shareholders have all but lost the ability to control the operations of certain subsidiaries. The commission said that the company appeared to have made a profit of about 12 per cent, not the 7.8 per cent the CTC originally said was reasonable. It questioned the company's seeking some $3 million in advance payments or deposits from people it considered a poor credit risk.

When I last spoke on the bill I mentioned a small telephone company not far from Ottawa operating an exchange with 121 subscribers. By some strange quirk that small company controls a fleet of jet aircraft used by Bell Canada, controls Place Bell Canada, and prints telephone directories. At least it controls their printing. I think the directories are published by Tele-Direct.

The question is, how can such a small company control such large investments? The company operates a small telephone exchange serving 121 subscribers whose rates have not been increased for some time; so far as I know they will never be increased. How could a small company, serving a small number of subscribers, amass the capital with which to buy one jet costing between $5 million and $6 million, let alone a whole fleet of jets? How could it gain control of Place Bell Canada? I see that my time has almost ended, Mr. Speaker. I want to say much more. Perhaps I will be able to do so later this afternoon.

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

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, not only does the hon. member for Timiskaming (Mr. Peters) want to continue his speech; I am sure we all would like to hear him. Therefore I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

● (1740)

That the motion be amended by striking out all the words after the word "that", and by substituting therefor the following words:

"Bill S-2 be not now read a second time but that it be read a second time this day six months hence".

Mr. Deputy Speaker: The House has heard the motion. The question is on the amendment.

Mr. Arnold Peters (Temiskaming): Mr. Speaker, it gives me a great deal of pleasure to be able to speak to the amendment. As I was pointing out on the previous motion—

Mr. Goodale: Deal with the amendment now.

Bell Canada

Mr. Peters: —Bell Canada came to parliament and asked us to make a change in their relationship to their shareholders. In asking for time to allow them to reconsider the situation I think it would be wise for us to go back to see exactly what they did years ago.

Bell Canada was set up by the Canadian Transport Board in 1927, according to information which I received from Robert E. Babe, Ph.D., telecommunications economic consultant. The Board of Railway Commissioners, later called the Canadian Transport Commission, dealt with the first general rate case in 1919. The board held that the company should be permitted to earn profits sufficient to pay a $2 dividend per share plus "just and reasonable" retained earnings. This basic method of regulation continued in existence up to 1966. Bell paid a $2 dividend every year from 1891 until the mid-1950's, with the exception of the depression years.

In 1927, another rate increase was sought by Bell. The Board finally realized that the above procedures alone afforded very little protection to the subscribing public. While Bell was prevented from making excessive profits by regulation, the company was able to sell stock to existing shareholders at prices well below market value and pass on monopoly profits in the form of capital gains rather than income. However, since the new capital funds raised in this manner were insufficient to purchase assets that would yield the approved earnings per share, the company was able to argue in rate cases that it could no longer meet its dividend and permissible earnings per share under the existing rates.

The following quotation from the 1927 decision of the Board is instructive:

> It was stated that it was not an unusual practice with prosperous companies. On this point it would seem proper to draw a distinction between a company engaged in competitive business and a company having a monopoly in operating a public utility. In the case of a competitive company the burden of its acts rests upon itself. But in the case of the company whose service is a monopoly and whose tolls are fixed or varied on the responsibility of public authority . . . I am unable to concede that the company should be authorized to charge tolls which have in view the payment of an 8 per cent dividend on stock which did not realize for the company the increased assets that its actual value made available, to the amount of $3,529,217 on the $17,843,900 of stock which was sold to the shareholders at par in the years 1921 to 1925.

In 1929 parliament revised the Bell Act to require approval by the regulatory authority for all issues of stock.

Since 1929 the regulatory board has approved the issue price of Bell's stock and the company has been forced to sell its stock at prices above par, that is, $25. However, sales of stock at substantial discounts from market value have continued to be an important factor in Bell's financing down to the present, in spite of regulatory supervision. Note, for example, the decision of the Board of Transport Commissioners in 1966 at pages 658 and 688 where it is noted that new shares were sold to existing shareholders and employees at prices equal, on average, to 75 per cent of market value.

In pamphlet No. 16, 1966, of the judgments, orders, regulations and rulings of the Board of Transport Commissioners for Canada it is indicated that there is a cost saving to the company in issuing common stock only to shareholders and employees, namely, the underwriting fee. This cost saving should be deducted from the difference between the issue price of shares and the market value of shares in order to estimate the net amount of stock dilution. In the 1975 issue of 5.2 million "units", comprised of one share in Northern Electric and one half warrant of Bell Canada, the issue price was $26.50, the underwriting fee was $1.25, and proceeds to Bell were $25.25 per unit. For exemple, the underwriters' fee was 4.72 per cent. This is a far cry from the average discount of 25 per cent given employees and shareholders. It is estimated that Bell lost about $166 million in capital through such stock dilutions, 27 per cent of capital raised through stock issues, over the period 1960-1971.

At the company's urging, the regulatory board revised the methodology of regulating the company in 1966, replacing control on earnings per share with percentage return on average total capital. This, to a substantial degree, has lessened the incentives of the company to water its stock.

Since the company is now allowed a percentage return on its book equity—book equity being net proceeds to the company from stock issues—the company has an incentive to inflate its rate base by issuing stock at as high a price as possible.

In the brief prepared by the consultant for the Consumers' Association he argued that earnings per share plus control over the issue price of equity is a much more effective way of regulating the company than the present percentage return on capital. If legislation is passed to prevent the regulatory body from authorizing the terms and conditions of new stock issues, a return to this effective method would be impossible.

What all this means is that Bell Canada has been playing around for a long time with issuing stock, and the method which it adopted mainly was a very simple business practice. Their criterion was not to try to serve the public as a public utility operating for the common good, or to try to satisfy the subscribers on the basis of the myth which they created that the company is controlled by several million Canadian shareholders, small people like the man who lives across the street from you, Mr. Speaker. They are basing it on the idea that the stock must carry a dividend sufficient to allow that little old widow, whom everyone knows but really has not seen for a long time, to live. Because of this they ask for such things as a 20-cent pay telephone charge.

● (1750)

I am pleased to see that the CRTC is not nearly as stupid as the Canadian Transport Commission has been over the years. The CTC has never found out why things are done. Perhaps even the CRTC would not have acted if it had not been for some bright newsman who pointed out that when you put a quarter into the slot to make a 20-cent call, you do not get a nickel back. Bell was stealing a million dollars from the Canadian public.

It is very interesting to read what the CRTC is reported to have said. It is rather complicated. It always is. The CRTC said that there is an inconsistency in the decision to charge 20 cents in some places, because in hospitals and certain other

insitutions the cost is ten cents. It is very difficult to justify why it is ten cents in hospitals but 20 cents in senior citizens homes and other places. The CRTC said it would get rid of this disparity by reducing the rate. That is the first time I have ever seen a government agency do that kind of thing. They usually get rid of disparity by raising rates, not lowering them.

The CRTC told Bell it could not charge 20 cents anywhere, that it would have to reduce the rate to a uniform ten cents. If the CTC, which deals with freight rates, had been dealing with these public telephone rates, it would have required everyone to pay 20 cents. It is interesting that up until recently the CTC adjudicated on these matters as well as freight rates. Even the government found that rather odd, so now we have the CRTC.

Nobody believes that pay telephones make money, but as a result of this reduction it is said that the loss to Bell will be about $9 million a year. The CRTC ruled that it is the responsibility of the telephone company to provide the public with convenient access to telephones at a wide variety of locations. All 20-cent telephones must be converted to ten-cent telephones within six months, and the commission is further undertaking to find out whether Bell has enough pay phones in service and, if it does not, where additional telephones are needed. CRTC looked into a number of other things. A lifeline service has been put into effect in a number of places. It looks as though the CRTC is doing something with this corporation.

However, considering what has been done with regard to Bell stock, considering the shocking way Bell has treated its common stockholders, and considering what Bell has done in terms of capital, which has affected very disproportionately the common and preferred shareholders of the company, I feel that it has not been managed responsibly. Bell has been able to tell the public to take or leave its service because it has a monopoly, and there is nothing the public can do about it. Certainly if there is any nationalization to be done in this country, the first company to be put on the list should be Bell Canada. I think everyone in the country would agree that if nationalization is justified in the public utility field, it is justified when it comes to telephone service.

I do not know how even the most unenlightened person could look at the assets of Bell and listen to the arguments which have been made before the commission without agreeing with me. Bell has indicated to the commission that it is not able to meet the basic requirements which have been established. One provision allows Bell to have a profit which would allow a $2 share dividend on common stock, and yet Bell has been able to buy an organization called Northern Electric. It has been able to buy Northern Telephone and a number of other small companies across the country.

Bell has established satellite control. It controls Capital Telephone, with its vast resources but no income at all. Bell has been able to do all this in the public field without being cited for stealing. Bell has not been cited for any of its other abuses. I suppose it would not be very difficult for a preferred shareholder or a common shareholder to lay charges against Bell under the normal procedure and to get some kind of redress for what has been done to him. However, if anybody had been at a commission hearing and seen the battery of lawyers retained by Bell Canada, he would know that in a life of 50 years or 60 years there would not be sufficient time to proceed with that type of action.

Now we are being asked to allow Bell to do a number of things it was not previously able to do. It seems to me that, before parliament makes these changes, this matter should go before the CRTC so that it could weigh all the "b.s." it has been handed with regard to Bell's rate structure and its financial background and ownership. Bell is having problems with deferred profits. It has been able to distribute those profits over the years, but it is now having difficulty with them because they fit into a capital gains position. There is a problem with regard to how to dispose of those deferred profits, but with people always coming into Bell Canada there will always be a disposition of those profits.

Northern Electric and Bell Canada have always been related as far as rates are concerned. Mr. Speaker, I see it is six o'clock, and I would like to continue this for several more hours, so I would like to call it six o'clock at this time.

Mr. Deputy Speaker: It being six o'clock, the hour appointed for the consideration of private members' business has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

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

SPORTS—USE OF POST OFFICE FOR DELIVERY OF DEPARTMENTAL MAIL—MINISTER'S POSITION

Mr. John C. Crosbie (St. John's West): Mr. Speaker, on Tuesday I asked a question of the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo). I asked whether her department is no longer using the Post Office but, rather, using a courier service to deliver its mail. She said that to her knowledge it is not using a courier service but that if it ever does she would probably entertain the idea of using Newfoundland dogs. That was significant because she is not now using Newfoundland dogs; she is using a Newfoundland minister.

● (1800)

Last Friday the Secretary of State for External Affairs (Mr. Jamieson), the minister from Newfoundland, utilized a government jet at a cost presumably of approximately $3,000 or $4,000 to fly from Ottawa to St. John's, Newfoundland, to perform the ceremony of handing over a cheque to the Canada Summer Games Committee in St. John's. The ceremony took place at the airport. I have a picture of the minister in all his glory handing the cheque for $1.5 million over to the chairman

of the summer games. The contribution of the federal government to the games is a paltry one, some $4 million in total; the province of Newfoundland is contributing over $5.5 million.

The minister took the cheque to Newfoundland by jet but, Mr. Speaker, the cheque could have been given to the members of the Canada Summer Games Committee when they visited Ottawa on May 16, or it could have been sent by registered mail for 20 cents or 30 cents. Either way would have saved the taxpayers of Canada several thousand dollars. Rather than that, however, the Secretary of State for External Affairs, who is supposed to be a busy minister, jetted to Newfoundland to present the $1.5 million cheque.

A newspaper report said that the minister stepped off the government "King Air" jet at Torbay airport, complimented the committee on what it was doing, and disclosed that the Prime Minister (Mr. Trudeau) and the Governor General will officially open the games. He added that the games would be of enormous benefit to the province, jumped back in the plane, and took off for his riding where he spent two days politicking.

This is improper use and wasteful use of government funds. The minister could have travelled to Newfoundland first-class on Air Canada as he is entitled to, at a probable cost of $400, but instead he took the government jet at a cost of $3,000 or $4,000.

Questions have been put on the order paper about the minister's air travel. The hon. member for Leeds (Mr. Cossitt) set down Question No. 2,028 on March 7, and last December I set down a question inquiring about the minister's travels to Newfoundland in the jet last September in relation to a byelection to be held in October. Those questions have not been answered; the minister refuses to answer them. I would venture a guess that his travel bill exceeds that of the Minister of Transport (Mr. Lang) in the last two or three years. Neither of them wrote the book "The Fear of Flying". I would say that the Lang air service has now been out-paced by the Jamieson jet service or the Jamieson "air farce".

I ask the minister, or whoever is going to answer for him, to tell the House when the questions on the order paper will be answered. Perhaps the minister has lots of time now. We know that CIDA has been taken from him and given to the President of the Privy Council (Mr. MacEachen); we know that all negotiations with French-speaking countries have been turned over to the Minister of Supply and Services (Mr. Goyer). It reminds me of that old joke about putting your false leg in the corner and putting your false teeth in the glass. The minister will soon have nothing left to do. As I said yesterday, he will be the minister responsible for Saint Pierre and Miquelon if all his duties are given to other people. Perhaps he has nothing better to do than to fly back and forth to Newfoundland.

This silver tongued orator will find his tongue turning to gilt if he will not answer some of these questions. If the Secretary of State for External Affairs wants to jet to Newfoundland to present a cheque, or if the Minister of State (Fitness and Amateur Sport) wants to take a government jet to British Columbia to present a cheque, surely the public is entitled to know the cost of this pandering to the wasteful habits of cabinet ministers.

In the old days there was a movie entitled "Flying Down to Rio". that has been replaced by the picture of cabinet ministers thinking that they are emperors, flying about in jets no matter how lowly the mission—delivering cheques, delivering mail, picking up dogs, flying their nannies around. I think the public is entitled to know the cost of this arrogant behaviour.

I have a poem here in honour of the minister, which goes as follows:

You may fly free to St. John's

If you are a friend of Don's

If you think the cost too high

Don't cross Don's path in the sky

It is becoming positively dangerous to use the commercial airways because you never know when one of these ministers in their jets will be delivering a cheque to your area. I certainly do not want to get in the way when the Secretary of State for External Affairs has in his hot little hand a cheque for $1.5 million and is rushing to St. John's with it to have his picture taken.

I would ask the parliamentary secretary to answer question No. 2,028 set down on March 7 about the minister's travelling expenses in the last several years. On October 12, question No. 29 was put down by the hon. member for Leeds about the use of DOT aircraft. On October 12, question No. 30 was asked by the hon. member for Leeds with regard to the use of Department of National Defence aircraft by the minister.

On December 17, 1976, I asked question No. 1,397 about the minister's trips for political purposes to the St. John's area in September and October 1976 at the time of the by-election. If on those trips the minister was engaged in politics, that should have been included in the Liberal candidate's election expenses. I want to know how many trips the minister made then. That is a question that will take an official in the department ten minutes to answer. This is another example of fantastic arrogance. We want the answers. If these trips are going to be made, we should have the information as to what they are costing the electorate.

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the Secretary of State for External Affairs (Mr. Jamieson) was requested by his colleague, the Minister of Regional Economic Expansion (Mr. Lessard), to represent the federal government at the official opening of the St. Lawrence Central High School in St. Lawrence, Newfoundland. The High School was constructed at a cost of $3,337,120 and was financed under the Canada-Newfoundland Special Areas Agreement between the Department of Regional Economic Expansion and the government of Newfoundland.

The Department of Regional Economic Expansion contributed the total cost of construction through the agreement; 50 per cent of which was made in the form of a non-repayable

grant, with the remaining 50 per cent through a long-term repayable loan to the province of Newfoundland.

The St. Lawrence Central High School is one of 22 educational facilities constructed in Newfoundland in recent years with the assistance of the Department of Regional Economic Expansion under the special area programs.

Other facilities constructed include seven elementary schools, three junior high schools, seven high schools, one vocational school, and extensions to three others.

In addition, partial funding was provided through the agreement for the construction of the Memorial University of Newfoundland Engineering School.

The Special Areas Agreement expired in March of this year and the official opening of the St. Lawrence Central High School completed the construction undertaken through this agreement.

With regard to the hon. member's question concerning the use of the mails by the Ministry of State for Fitness and Amateur Sport, he will be interested to learn that approximately 37,000 pieces of mail have been deposited with the Post Office for delivery since September 1, 1976.

Contributions by the federal government in aid of major sporting events have been delivered by several representatives of the federal government. In the case of the last contribution to the 1977 Canada Summer Games, the amount of the cheque was $1.5 million. This brings the total value of the federal government contribution to the games, in both direct funding and services, to $3.7 million.

In the interests of public awareness of the federal government's involvement in the 1977 Canada Summer Games, the formal presentation was made in the home of this year's games.

[*Translation*]

In answer to the other questions put by the hon. member I would say that they are now on the order paper. I also want to tell him that the department is now in the process of studying the questions and preparing the appropriate answers, and that the work will be completed as soon as possible.

[*English*]

CANADIAN BROADCASTING CORPORATION—APPOINTMENT OF MR. O'NEIL TO HEAD PUBLIC AFFAIRS PROGRAMMING—POSSIBILITY OF MORE BALANCED PROGRAMMING

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, on May 5 the Montreal *Gazette* carried an article with the headline "O'Neil to head TV public affairs". It reads in part:

> The former press secretary to Prime Minister Trudeau has been appointed head of public affairs programming for the Radio-Canada television network.
>
> Pierre O'Neil served Trudeau until September, 1975, when he went to the University of Dakar in Senegal to train French-language journalists. The date his new job begins has not been set because he is still in Africa.

That led me on May 17 to ask the Prime Minister (Mr. Trudeau) the following question:

> I ask if, in making the personal appointment, the Prime Minister instructed the CBC to make a balanced presentation of public affairs and news programs in order to avoid those situations of which government members were so critical?

● (1810)

It strikes me first of all that the Prime Minister did not deny the purport of the questions, that is, that the appointment of Mr. O'Neil was a personal appointment to be a kind of a watchdog over CBC television programming. That is his specific duty.

This is to be seen against the backdrop of some outspoken statements by cabinet ministers. I have here some screaming headlines from the Toronto *Star*, for example, of February 23. In the article itself, the Minister of Industry, Trade and Commerce (Mr. Chrétien) was reported as saying, "If you were to ask me if there were to be no CBC until after the referendum would I be more comfortable, I would say, yes." If that is not a kind of veiled blackmail, I don't know what it is. In effect the minister is saying, "Hey, if we can't get the CBC to perform the way we would like it to perform, we would be better off without a CBC."

The Minister of State for Urban Affairs (Mr. Ouellet) and the Minister of National Revenue (Miss Bégin) have made similar outbursts. I ask you, Mr. Speaker, what would it be like to be a CBC reporter putting together a news broadcast or an editorial comment on the CBC presenting material which was mildly critical of the government? It seems to me we are developing a climate where everything is valid and objective only if it is in agreement with the government line. I do not know whether we ought to tolerate this.

The Minister of National Revenue, for example, is quoted in one article as saying that the CBC reflects separatism and nothing else. Another thing which strikes me as remarkable is that the premier of Quebec, a former colleague of the Prime Minister, was formerly an announcer and broadcaster for the CBC and nobody thought there was anything strange about this until after November 15 last. One of the cabinet ministers in Quebec had the most popular show in the province for months, even years, before her election. Nobody thought anything of it even though they knew she was a PQ partisan. That is the backdrop against which the Prime Minister's appointment must be seen.

I repeat: what must it be like to be a newscaster or an editorialist on the CBC today when all the time they are afraid that if they make a comment, or broadcast a news comment which is unfavourable to the government, they are likely to find one of the cabinet ministers bursting out in headlines in the next day's paper, saying, "This is not loyalty; they are not representing the government fairly."

The issue today is freedom for the public broadcasting system. Since the Prime Minister has made his own personal appointment to a very sensitive area of the programming department and of Radio Canada, I wonder whether Mr. O'Neil is not the watchdog, whether he has a red telephone to the Prime Minister's office over which he will be saying, "Look, there is something here which is not quite the way you would like it."

The issue here is freedom, but it seems to me that the Prime Minister's interpretation of freedom in broadcasting is freedom for himself to regulate it and put his own man in place so that he can control the news coverage which emanates from the system. The power of the government is the power of appointment, and as long as the government exercises this power in such a partisan way, making sure that its own people are in these posts of great sensitivity, we shall find a government which is increasingly paranoid every time something is broadcast to which it takes exception.

I find it objectionable that the Prime Minister would make such a personal appointment in such a sensitive area in order, it would appear, to control the kind of news which comes out of the province of Quebec. I think it is time for the Prime Minister to become a little less sensitive about the kind of news broadcast in the province, and to preserve genuine freedom and objectivity, and thereby the unity of our nation.

[*Translation*]

Mr. Jacques Guilbault (Parliamentary Secretary to Secretary of State): Mr. Speaker, I find regrettable the attitude taken by my colleague for Surrey-White Rock (Mr. Friesen) of assuming that because Mr. O'Neil is a former press secretary of the right hon. Prime Minister of Canada (Mr. Trudeau) his nomination was decided by the Prime Minister, because this assumption is totally wrong. That nomination was decided by the CBC management, as it is supposed to be. Hon. members are well aware that the only positions in that corporation where candidates can be designated by the government are those at the upper management level, namely the members of the board of directors.

If you will allow me some comments on the choice made by the CBC, I will mention to you some information made available to me by that corporation; in addition to having been in the position that he is mostly known for, namely in the service of the Prime Minister of Canada, Mr. O'Neil has also been a correspondent of two newspapers, *La Presse* and *Le Devoir,* at the Quebec National Assembly as well as in the press gallery here in Ottawa. This man has therefore held some prestigious functions in the news-reporting business and has acquired a broad journalistic experience especially in the field of politics and government. One can therefore understand why the CBC chose to name a man of such experience to such a position, so the inferences made by my colleague from Surrey-White Rock are less understandable given the fact that the Prime Minister did not deny it lately. I can understand why the Prime Minister did not deny it for it is crystal clear that he was not the one who made that nomination.

Regarding the remarks made by my colleague concerning the balanced programming we should be getting from the CBC, I must tell him once again that we are dealing here with a mandate which is entirely placed under the jurisdiction of that corporation, and that neither the present government nor any other government of Canada can interfere in that respect because of the legal conditions that surround the creation of the CBC. And finally, let me add that if, on various occasions, some members of the present cabinet have raised their concern about certain things they did not like with the CBC, this is precisely because the CBC is an independent body. If the government were in charge of the CBC programming, the ministers would have no reasons for disagreeing with the contents of certain programs simply because assuming the government were to control those programs, the corporation would have to go along with the views of the government. Mr. Speaker, I just wanted to set the facts in their true light and remind the House that this nomination stems from a decision made by the CBC management, as should be the case and as provided for by an act of Parliament, without undue interference on the part of the government.

[Mr. Friesen.]

[*English*]

INCOME TAX—LEGALITY OF INCLUSION OF BENEFITS FROM LOW INTEREST LOANS AS INCOME FOR TAX PURPOSES

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, this debate arises out of a question I put to the Minister of National Revenue (Miss Bégin) on May 19 concerning the proposal which the minister announced to tax the benefit provided by low interest loans from employers to employees. I asked this question inasmuch as the courts, it seemed to me, had ruled that there was no necessity for anyone to charge interest at any specified rate, or indeed any rate or interest. The minister relied in her answer on section 6(1)(a) of the Income Tax Act, which provides:

> There shall be included in computing the income of a taxpayer for a taxation year as income from an office or employment such of the following amounts as are applicable:
>
> (a) the value of board, lodging and other benefits of any kind whatever—

The provision then goes on to list some exceptions, which I should like to refer to later. The minister may have been correct in the narrow sense of the law, although she made reference in her answer to the spirit and the letter of the law.

● (1820)

I should point out that in 1956 the words "of any kind whatever" were added to that section or its predecessor section in the former Income Tax Act. That may have been because of an Appeal Board case in which the minister was seeking to tax interest to a shareholder, who may have also been an employee, because he borrowed money from the company in order to buy majority shareholders' interests. At any rate, it was held that no benefit was conferred on the appellant by the company in the years under question, 1952 and 1953. The exact words of the Appeal Board tribunal were:

> Apart from specific legislation in a taxing statute, I know of no law which imposes an obligation upon a lender to demand the payment of interest in connection with a loan granted by the lender to a borrower, and if the lender does not require the payment of interest, the borrower is under no obligation to pay interest.

I would like to refer also to a case from the Exchequer Court, which was the forerunner of the Federal Court of Canada. In this case companies were being dealt with, but I think the principle is the same. This is the Pillsbury Holdings Limited case, and I would like to read from the summary as follows:

The amounts of interest so foregone by the subsidiary companies in favour of their parent company were construed by the minister as benefits conferred on a shareholder within the meaning of section 8(1)(c), . . .

The taxpayer's appeal was allowed by the Tax Appeal Board, and the minister appealed to the Exchequer Court. The Exchequer Court held the following:

That a benefit received from a corporation by a shareholder must be received by him *qua* shareholder for the benefit to fall within section 8(1)(c); a taxable benefit could not be imputed in respect of a bona fide transaction;

The fact that the interest was waived in this case was not held to be material and the minister's appeal was dismissed by the Exchequer Court.

The day before I asked the question, the minister responded to the hon. member for Edmonton West (Mr. Lambert) on a similar point. She said:

We have noticed a considerable increase in the loans, at low interest rates or without interest, being granted by employers to employees. We have therefore decided to revise our last interpretation bulletin to the effect that the difference between the interest rate on those loans and the bank rate will be considered as additional income, for income tax purposes, this ruling to become effective on January 1, 1978.

While it may be according to the letter of the law, there is certainly no equity involved in this. If it is the spirit of the law, I doubt it very much because the government tells us that equity is the spirit of the income tax law.

Section 6(1)(a) exempts any employer's contribution to or under a registered pension fund or plan, group sickness or accident insurance plan, private health services plan, supplementary unemployment benefit plan, deferred profit sharing plan or group term life insurance. If we are going to capture the benefit of so-called interest free or low interest loans from employers to employees, then I wonder when we shall be examining the matter of subsidized meals and employee discounts for retail outlets and that sort of thing.

Section 15 of the act allows a loan to shareholders, who are officers or employees of a company, without tax consequence if the loan is used for the purchase of a dwelling, to purchase treasury shares in the company, or to purchase an automobile to be used in the fulfilment of duties. It can also apply to a shareholder if the loan is repaid within one year.

We are creating a second class of taxpayers and further inequities by allowing deductions to certain classes of taxpayers, that is shareholders, and not to simple employees, and by legislating by the size of the loophole. The taxation of this so-called benefit was not thought of until it was realized that too many people were making use of it.

Mr. George Baker (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, the hon. member for Vancouver Quadra (Mr. Clarke) raised a question in the House of Commons on May 19, 1977, about a departmental interpretation that employees or shareholders borrowing money at less than a reasonable rate of interest receive a taxable benefit, and that commencing January 1, 1978, the value of the benefit will be computed as the amount by which the interest paid by the borrower is less than it would have been had a reasonable rate been charged. The hon. member referred to court rulings that there is no obligation for a lender to charge a specified rate of interest on loans, and asked how we would enforce such an interpretation without legislative approval. The Minister of National Revenue (Miss Bégin) replied that there had been consultations with the Department of Justice respecting this matter.

The point is, Mr. Speaker that while it has been held that it is not obligatory for a lender to charge interest on a loan, in our view it does not necessarily follow that the borrower in these circumstances does not receive and enjoy a benefit. Such a benefit is taxable under the Income Tax Act.

In earlier years it was not a widespread practice for companies to make loans at low or zero interest rates to employees and shareholders, and where this was done relatively small amounts were involved. But the practice has grown over the years and in many instances substantially large sums of money are involved. The department feels it has a responsibility to check a practice that has clearly become an abuse.

Perhaps a simple example will suffice to illustrate how unfair it is to taxpayers generally when some taxpayers are able to enjoy the benefits of an interest free loan without incurring tax. Employee A accepts a $30,000 a year job. He buys a home, and out of his earnings pays $5,000 a year in mortgage interest. Employee B accepts a similar job for $25,000 but also receives an interest free loan from his employer that has enabled him to buy a home of the same value as Employee A's. Both employees would have $25,000 left, but under the practice that has been developing Employee A reports $30,000 of income whereas Employee B is taxed on only $25,000. The new interpretation has been issued in the interests of fairness and equity to all taxpayers.

Mr. Deputy Speaker: Order, please. The motion before the House is now deemed to have been withdrawn.

Motion withdrawn.

Mr. Deputy Speaker: I do now leave the chair until eight o'clock tonight.

At 6.30 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CANADA DEPOSIT INSURANCE CORPORATION ACT

AMENDMENTS REPECTING PREMIUMS, SHARE CAPITAL, ETC.

The House resumed consideration of Bill C-3, to amend the Canada Deposit Insurance Corporation Act, as reported (with-

out amendment) from the Standing Committee on Finance, Trade and Economic Affairs, and the amendment of Mr. Macdonald (Rosedale).

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, prior to the dinner hour I had been speaking on the amendment of the Minister of Finance (Mr. Macdonald) which is now before us with respect to Bill C-3. Perhaps I should read the portion of the amendment with which I want to deal. The amendment is in general reference to the activities of the Canada Deposit Insurance Corporation. Subclause (5) of the amendment reads:

Notwithstanding subsection (1), moneys received by a member institution on or after January 1, 1977, for which the institution has issued or is obligated to issue an instrument of indebtedness other than a draft, certified draft or cheque, travellers' cheque, prepaid letter of credit or money order do not constitute a deposit where the instrument is payable outside Canada or in a currency other than Canadian currency.

The reason that I read the subclause is that it will have two effects. One is that when an institution such as a trust or loan company takes a deposit that is payable in a foreign currency, it is not covered by CDIC. We do not object to that, that is fine, we are not suggesting that foreign currency obligations should carry in any way the insurance protection which CDIC is able to extend.

● (2010)

What we take exception to is that a Canadian dollar obligation, simply because it happens to be payable outside Canada, will not carry insurance protection. That is the effect of the subclause to which I have referred.

This amendment was triggered by the fact that Canada Trust placed a $25 million issue in Europe through a reputable investment house at 9.25 per cent, the issue being due December 31, 1981. Canada Trust did this in the latter part of last year. It was obviously a five year debenture which was placed by that underwriter with European investors. The interesting thing is that at the same time the Canada Permanent Mortgage Corporation placed the same amount, $25 million, at 9.75 per cent, with the same due date. In short, Canada Permanent did exactly the same thing. Its issue had the same due date, but Canada Permanent ended up paying .5 per cent more than did Canada Trust. Over the life of the debenture, that .5 per cent represents $625,000, so we are talking about a considerable saving, and I remind hon. members that that saving eventually accrues to mortgage holders in this country. That will mean cheaper mortgage financing for those who wish mortgage funds in Canada to the extent we can win cheaper foreign funds than are available in Canada.

The important question for us to consider is whether the department is correct in saying that that should be stopped, because frankly I do not think anybody in the CIDC had thought of it before. It was the innovation of the trust company to which I referred which triggered the department, and I think the department arbitrarily said that somehow it is wrong to have an issue like that placed in Europe with insurance attached to it. We say it is not wrong. What is wrong with getting cheaper mortgage money for Canadians?

[Mr. Deputy Speaker.]

If a trust company, loan company, or any other insured institution wishes to take in those funds anywhere in the world, as long as they are expressed in Canadian dollars what is wrong with winning those funds and hopefully getting cheaper mortgage rates for Canadians?

Prior to five o'clock the minister stated that he understood that the financial community was generally in agreement with the wording which we now have before us. Mr. Art Mingay, who happens to be the president of the Trust Companies Association of Canada says "No way". It comes as a great surprise to him that that representation should be put before us in this House. Incidentally, his company, Canada Trust, is the one I referred to when I referred to that $25 million issue.

Mr. Mingay feels that it would be preferable to refer this matter back to the committee and to allow the trust industry, perhaps the loan industry and other industries which are involved, to have an opportunity to explain why they feel that this is not a desirable thing to encourage as far as Canadians are concerned.

Our position on this amendment is that while certain parts of it—for example, the part which restricts the use of bearer certificates—are acceptable, we feel we cannot accept the suggestion that money which would result in lower mortgage rates for Canadians should be turned down arbitrarily just because a bureaucracy says it did not have that in mind at one point. There is no question that the insurance applies only up to $20,000. The issue which was placed in Europe is subject to that restriction. Those who are putting the money up in Europe, or wherever it is placed, are insured only up to $20,000 per depositor. Our suggestion is that the minister should reconsider this amendment and either withdraw it before the bill is passed this evening, or refer it back to the committee where that committee can have a second look at the bill with particular reference to the proposed amendment. Hopefully the amendment can be amended or withdrawn at that stage.

Do we in this House wish to encourage cheaper mortgage funds for Canadians, or, because the bureaucracy says it does not think that should be done, should we let the bureaucracy rule? Should we say, "To hell with the larger sector of the mortgage community; they can bear the heavy mortgage debt at higher rates; we feel that the bureaucracy must rule?"

Mr. Gordon Towers (Red Deer): Mr. Speaker, when this bill was before the committee this amendment was not mentioned. It seems to me that it is unfair of the minister to propose this amendment at this time when we have not had an opportunity to quiz him on it.

The main point which was brought out in committee was that there have been only two cases in which the fund has been called upon to protect the borrowing public, and these took place in two provinces, Alberta and British Columbia.

I would like to refer to page 2:7 of the minutes of the standing committee for November 4. The hon. member for Gatineau (Mr. Clermont) was questioning Mr. Gingras as follows:

MR. CLERMONT: This means that you had two claims to settle so far, and in only one case did you make a refund, which in that instance came to about $600,000.

MR. GINGRAS: That means that we paid out about $25 million to the depositors, but when all these assets are liquidated, our loss will come to about $600,000.

MR. CLERMONT: The $25 million you are going to have to pay out is therefore a claim.

MR. GINGRAS: Yes, that is the case, since we paid out money to depositors.

MR. CLERMONT: Was it a federal or provincial corporation?

MR. GINGRAS: It was provincial.

MR. CLERMONT: In which province?

MR. GINGRAS: Alberta. That is why Alberta paid . . . excuse me. The case in which we did not suffer any losses concerned Alberta. The claim made by British Columbia resulted in a loss for us.

MR. CLERMONT: It was a provincial corporation in that instance as well.

MR. GINGRAS: Yes, in both cases.

MR. CLERMONT: It is left up to the Canada Deposit Insurance Corporation to decrease or refund certain premiums, which amounts to a reduction of the premiums. Is this why I see the following heading on page 8 of the Annual Report:

The hon. member continued on that very point. This was the main issue brought before the committee while it was investigating Bill C-3, and I think it behooves the minister to accede to the request of the hon. member for York-Simcoe (Mr. Stevens) to allow this amendment to go back to the committee so that we can find out just what its consequences might be.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

● (2020)

Mr. Macdonald (Rosedale): Mr. Speaker, as it is possible there are going to be other divisions this evening I wonder if there could be agreement to postpone this and have all divisions taken at ten o'clock.

Mr. Hnatyshyn: Mr. Speaker, there is a possibility of other divisions on the bills coming before the House. I think we would be agreeable to defer taking the divisions, let the other business go ahead, and try to arrive at a mutually satisfactory time for taking the divisions. If that is not possible we might then proceed at the earliest opportunity to call in the members.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we will agree to deferring the vote on the understanding that the time for calling that vote be worked out by consultation.

The Acting Speaker (Mr. Laniel): I have heard the representations of the three parties that there is unanimous consent to deferral of the vote without any set time. Is it agreed to defer the vote?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): The House will now proceed to consideration of Bill C-8. The Minister of Finance (Mr. Macdonald) on a point of order.

Mr. Macdonald (Rosedale): Mr. Speaker, there has been some consultation across the floor and the rather more substantial matter for discussion now is the tax treaties bill. I wonder if we could change the order of business by agreement, deal with Bill C-12 at this time, and follow it with Bill C-8.

The Acting Speaker (Mr. Laniel): Bill C-8 having been called, is it agreed to proceed with Bill C-12 instead?

Some hon. Members: Agreed.

* * *

INCOME TAX

MEASURE TO IMPLEMENT AGREEMENTS BETWEEN CANADA AND CERTAIN COUNTRIES TO AVOID DOUBLE TAXATION

The House proceeded to the consideration of Bill C-12, to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Laniel): Before we proceed with the report stage of Bill C-12 I might put on the record some remarks concerning the approach to consideration of the different motions that have been received. On today's notice paper there are 31 motions to amend Bill C-12, 24 in the name of the Minister of Finance (Mr. Macdonald), and seven in the name of the hon. member for York-Simcoe (Mr. Stevens).

The effect of motions Nos. 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 23, 25, 27, 29 and 30, in the name of the minister, if carried, would be to delete from the bill all references to an agreement between Canada and Germany for the avoidance of double taxation with respect to income tax.

Since all 24 motions deal with the same aspect of the bill, or the same principle, it would be my intention to group them for the purpose of debate. I would also suggest that when the question is put on motion No. 1, a recorded division, if required, would dispose of the remaining 23 motions.

Likewise, motions Nos. 2, 20, 22, 24, 26, 28 and 31, standing in the name of the hon. member for York-Simcoe, have a similar intention as those of the minister by deleting from the bill all references to a convention between Canada and Switzerland. It is also my intention to group them for the purpose of debate, and a division on motion No. 2, if required, would dispose of the remaining six motions.

Is this to the satisfaction of all hon. members?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): If the House agrees I shall read only motion No. 1 and assume that the other 23 motions are read into the record. Is this agreed?

Some hon. Members: Agreed.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 1:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by deleting from the long title the words "an agreement between Canada and the Federal Republic of Germany and".

He said: Mr. Speaker, as you pointed out so correctly, the purpose of the amendments standing in my name is to deal with the tax agreement with the Federal Republic of Germany. I should explain that since the tax agreement which is incorporated in the bill was negotiated between Canada and the Federal Republic of Germany, that country has brought in a new system of corporate taxation. For that reason it is the view of the Government of Canada that the tax agreement with that country should be renegotiated. On this basis we are asking parliament to delete all reference to West Germany from the bill so that we may go back and engage in these negotiations.

Under the old system in West Germany, undistributed profits were subjected to a corporate tax of 51 per cent while distributed profits were subjected only to 24.5 per cent. Under the new system the rate of corporate tax on undistributed profits is 56 per cent while the rate on distributed profits is 36 per cent. This, coupled with the 25 per cent witholding tax which is recognized in the new Canada-Germany tax treaty, would result in a substantial increase in the taxes paid by Canadian shareholders of German companies. The Canadian government therefore asked the German authorities for a revision of some of the provisions of the new agreement between the two countries.

The principal change in the agreement would be made in the dividend article; technical changes may also be made to other

provisions of the agreement but they are expected to remain substantially the same.

I should tell the House that discussions with West Germany are scheduled for July in order to revise the agreement, and it is expected that the agreement will be resubmitted to parliament as soon as it is concluded.

I should also make reference to one minor amendment that is proposed to the treaty, and that is to correct an error that was made in the Canada-Morocco double-taxation convention. It is a typographical error in the Moroccan convention. On page 50 of Bill C-12 the cross-reference at the end of paragraph 2 of article 13 is to article 22, namely, the methods for prevention of the double-taxation article. It should instead refer to Article 21 which deals with taxation of capital. As I said, the error was incorporated in the original text which was signed between the parties. We have now received the agreement of the Moroccan authorities to make the appropriate convention in the treaty. The purpose of the amendment, therefore, is to reflect in this enabling bill the change that has been agreed to between the two sovereign states. This is the explanation of the changes put forward in my name.

• (2030)

Mr. Knowles (Winnipeg North Centre): Will the minister permit a question?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask the minister a question with regard to the statement he just made that the agreement with the Federal Republic of Germany is being renegotiated. As I understand it, the agreement that had been negotiated before the bill was drafted was to take effect as of January 1, 1977. Is it intended that the revision of that agreement, or the new agreement, will have that same effective date?

Mr. Macdonald (Rosedale): Mr. Speaker, at the moment that question has not been determined. Obviously it would be desirable, given the impact of our own law, to try to make it effective from that particular date. However, I do not want to prejudge what the negotiators might come up with.

By way of further comment, there have been changes in the Canadian tax law which would have an impact as of January 1. It certainly would be desirable to hold to that date, but I think I would be prejudging what the West German position might be if I gave an assurance at this moment. That certainly would be a desirable objective. We will have to wait and see what the Germans have to say about it.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, with regard to motion No. 1 in the name of the Minister of Finance (Mr. Macdonald) and the motions related to that motion, they have the effect of deleting the treaty that is now within the bill dealing with the Federal Republic of Germany. We have no objection to the minister's motion and the effect of it, which would be the deletion of this treaty from the bill that is now before us.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion No. 1 agreed to.

Mr. Deputy Speaker: The adoption of motion No. 1 also disposes favourably of motions Nos. 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 23, 25, 27, 29 and 30 appearing in the name of the Minister of Finance. Is that agreed?

Some hon. Members: Agreed.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 3:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by striking out Part I, the heading preceding Clause 1 and Clauses 1 to 3 and by renumbering Parts II to VIII as Parts I to VII respectively.

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 4:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by renumbering Clause 4 as Clause 1.

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 5:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by

(*a*) renumbering Clause 5 as Clause 2;

(*b*) striking out the words "Schedule II" in line 16 at page 2 and substituting therefor "Schedule I".

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 6:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by renumbering Clause 6 as Clause 3.

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 7:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by renumbering Clause 7 as Clause 4.

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 8:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by

(*a*) renumbering Clause 8 as Clause 5;

(*b*) striking out the words "Schedule III" in line 6 at page 3 and substituting therefore "Schedule II".

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 9:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany, and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by renumbering Clause 9 as Clause 6.

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 10:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by renumbering Clause 10 as Clause 7.

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 11:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by

(*a*) renumbering Clause 11 as Clause 8;

(*b*) striking out the words "Schedule IV" in line 32 at page 3 and substituting therefor "Schedule III".

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 12:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by renumbering Clause 12 as Clause 9.

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 13:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by renumbering Clause 13 as Clause 10.

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 14:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by

(*a*) renumbering Clause 14 as Clause 11;

(*b*) striking out the words "Schedule V" in line 25 at page 4 and substituting therefor "Schedule IV".

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 15:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by renumbering Clause 15 as Clause 12.

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 16:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by renumbering Clause 16 as Clause 13.

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 17:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by

(*a*) renumbering Clause 17 as Clause 14;

(*b*) striking out the words "Schedule VI" in line 12 at page 5 and substituting therefor "Schedule V".

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 18:

An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by renumbering Clause 18 as Clause 15.

[Mr. Macdonald (Rosedale).]

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 19:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by renumbering Clause 19 as Clause 16.

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 21:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocoo, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by

(*a*) renumbering Clause 20 as Clause 17;

(*b*) striking out the number "VII" in line 4 at page 6 and substituting therefor "VI".

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 23:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocoo, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by renumbering Clause 21 as Clause 18.

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 25:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by

(*a*) striking out the words "AGREEMENTS OR" in the heading preceding Clause 22 at page 6;

(*b*) striking out lines 23 to 27 at page 6 and substituting the following therefor:

"19. (1) Subject to section 20, the Governor in Council may, by order, declare that any";

(*c*) striking out lines 34 to 36 at page 6 and substituting the following therefor:

"revoke, replace or add to the Conventions set out in Schedules I, II, III, IV, V or VI, as the";

(*d*) striking out line 39 at page 6 and substituting the following therefor:

"mentary con-";

(*e*) striking out line 2 at page 7 of the English version and substituting the following therefor:

"plementary";

(*f*) striking out the words "supplementary agreement or" in lines 5 and 8 at page 7;

(*g*) striking out line 14 at page 7 and substituting the following therefor:

"mentary con-";

(*h*) striking out line 18 at page 7 and substituting the following therefor:

"convention";

(*i*) striking out line 22 at page 7 and substituting the following therefor:

"text of such".

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 27:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by

(*a*) striking out line 25 at page 7 and substituting the following therefor:

"20. (1) An order under section 19 shall be";

(*b*) striking out lines 47 to 50 page 8 and substituting the following therefor:

"order of a like nature to implement a".

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 29:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by

(*a*) renumbering Clause 24 as Clause 21;

(*b*) striking out the words "section 23" in line 27 at page 9 and substituting therefor "section 20";

(*c*) striking out the words "section 22" in line 29 at page 9 and substituting therefor "section 19".

Motion agreed to.

Hon. Donald S. Macdonald (Minister of Finance) moved motion No. 30:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by

(*a*) striking out Schedule I and by renumbering Schedules II to VII as Schedule I to VI respectively;

(*b*) striking out the last line of paragraph 2 of Article XIII of the renumbered Schedule I at page 50 and substituting the following therefor:

"paragraph 3 of Article XXI."

Motion agreed to.

Mr. Deputy Speaker: The House will now proceed to the consideration of motion No. 2 appearing in the name of the hon. member for York-Simcoe (Mr. Stevens), which will also dispose of motions Nos. 20, 22, 24, 26, 28 and 31. I will read motion No. 2 to the House. Is it agreed that, in doing this, it will be considered as though the other six motions have been read?

Some hon. Members: Agreed.

Mr. Sinclair Stevens (York-Simcoe) moved motion No. 2:

That Bill C-12, An Act to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be amended by deleting from the long title the words "and Canada and Switzerland".

He said: Mr. Speaker, I hope in the spirit of co-operation that is showing this evening that having acceded to the minister's motion No. 1 the minister will now accede to our motion No. 2 which we feel will have an identical effect to the minister's motion. He dealt with the treaty dealing with Germany. We are dealing with the Swiss treaty. We are simply suggesting that the Swiss treaty should also be deleted from the bill before us.

In dealing with the amendments I propose, I wish to point out that they are aimed at improving a bill which, with but one exception, is acceptable to us on this side of the House.

The general provisions of Bill C-12 respecting withholding taxes on dividends, interest, royalties and the like are, I believe, basically sound, and follow established international practice. Most members of the House would agree that mutual conventions of this sort are usually considered essential today in promoting the flow of trade and investment.

We have no objection to any of this. Our objections to this bill and the subsequent amendments arise in particular from the treaty with Switzerland and specifically from the provisions which ask us to confirm, under treaty, the privileged secrecy of those who would hide behind the secret numbered Swiss bank account.

Of all seven treaties—it is now six—embodied in this bill, the Swiss agreement is the only one to limit severely our access to information which would be vital in prosecuting tax frauds and other international cheats.

When we view it in comparison to concessions the Americans have won from the Swiss, the arrangements struck by our negotiators are sadly inadequate and do nothing to protect Canada from the numbered account type of dodge.

Following on the heels, as it does, of recent revelations that our own Crown corporations have been linked to unethical, and possibly illegal, payments into secret Swiss bank accounts, I find this treaty poorly conceived and ill-timed. It is a treaty which at this time defies common sense and the best interests of Canada.

I would like to put on record four points which I urge hon. members to consider in the debate on this bill.

First, Switzerland is a tax haven. Despite the adamant insistence of the government in committee that Switzerland is not a tax haven because it levies taxes, a number of international financial experts think otherwise. One authority has this to say:

> For more than a century Switzerland had been recognized as the most popular tax haven in Europe and the most stable on any continent . . . In fact, surveys show that today Switzerland remains the leading tax-haven, next to Panama, in numbers of foreign based companies established in a single nation.

The source which gives several reasons for this, including low taxes, federal taxes on world-wide income begins at 3 per cent and graduates to 8 per cent, a hospitable climate for foreign investment and a unique banking system, is a publication entitled, appropriately enough, "Tax Havens of the

World" 1976 edition. If the minister is not familiar with that booklet, I am willing to send it to him so that there is no doubt in his mind as to whether Switzerland is in fact a tax haven. In fact it is the most sought after tax haven in the world, bar none. The fact that our negotiators are unable to identify a tax haven when they see one is reflected in the relatively weak safeguards embodied in this treaty we are asked to ratify.

Second, our negotiators have failed to gain concessions from the Swiss that were granted to the Americans as far back as 1951. U.S. officials, under a series of treaties with the Swiss, are able to obtain bank account balances, particulars of deposits, and even, in some instances, names of account holders when they are U.S. nationals suspected of tax fraud, forgery, or other criminal activity recognized by both countries. Swiss banking authorities have told me how naive they believe Canadian negotiators have been. Naturally, they speak off the record. But they say that compared to the negotiators from the United States our people literally did not know what they were doing when they sat down to hammer out this treaty.

● (2040)

The original 1951 U.S.-Switzerland treaty includes a phrase similar to ours limiting exchange of information, but with one major exception—Article XVI (1) incorporates a clause providing for the exchange of information "for the prevention of fraud and the like in relation to taxes which are the subject of the present convention."

The treaty before us may offer some little help in this regard but nothing so broad as is embodied in the U.S.-Swiss treaties which the Swiss Supreme Court has ruled can even take precedence over Swiss domestic laws of secrecy.

I would emphasize that our treaty contains specific words limiting our access to anything that is contrary to the laws of Switzerland. The contrast between our treaty and the American treaty is startling.

In the Prentice-Hall "Federal Tax Treaty Reporter" the following is stated in paragraph 82.014 regarding the case of X versus the Swiss Confederation Tax Administration:

> Under Swiss Income Tax Treaties Swiss authorities could provide the Internal Revenue Service with data from records of a U.S. citizen's bank account when that citizen was charged with tax fraud, a crime in both countries, substantiated by the IRS and generally confirmed by investigation. Bank secrecy could be lifted for fraud as distinguished from mere assessment.

I suggest there is nothing in the Swiss treaty placed before us today which would give us anywhere near the kind of advantage the Americans have gained in lifting the veil of secrecy from those who would defraud their government. I might add that the Swiss are the first to state that they wish they could change the American treaty. They acknowledge the Americans have negotiated a tough deal. But, surely, Canadians can be equally tough—or, if they are not, we must draw other inferences from the fact that they have concluded an agreement with the Swiss as favourable as the one before us tonight.

As late as last August the Americans ratified a judicial and administrative mutual assistance treaty which provides for the exchange of certified bank records, expert testimony and other assistance necessary for the prosecution of mutually recognized crimes. That treaty went into effect in January of this year, yet the government is proposing ratification of a treaty with Switzerland which falls far short of these conventions. It is inconceivable to me that we would not insist on similar concessions from a tax-haven country, especially in the light of the recent revelations which have been debated in the House and to which my colleagues will be referring later in the debate tonight.

We have little to gain from ratifying this treaty at this time and much to gain from waiting. Highly placed sources within the Swiss banking community have indicated that Swiss authorities are alarmed by certain defalcations in their banking community which have arisen from the use of secret accounts. Apparently only a few officials at any time—usually two—are allowed access to banking records and the government is unhappy about the lack of control over secret bank accounts. The Swiss, I understand, are themselves considering a crackdown on non-disclosure practices in that country.

Similarly, other nations, including the United States, are reportedly pressing for more open disclosure practices. These nations are urging the adoption of an OECD model agreement in the hope it would lead to better international co-operation in taxation administration and the prevention of fraud.

Why are we rushing into this treaty at a time when the Swiss themselves are questioning secrecy? In what way does this anxiety to sign a treaty with Switzerland to assist tax dodgers, with their secret accounts and a kind of pay-off system, tie in with the government's attitude toward Polysar? We have to ask some of these pertinent questions before voting one way or the other on this important bill. In short, why are we rushing into this treaty? A reform of the Swiss secret account system might yield, at another time, a more beneficial treaty for Canada.

The Swiss government itself is pushing for amendments to the treaty which is now before us. This was not made clear during the committee sessions. It has not been made clear by the minister to date. The treaty we are being asked to ratify tonight has, in fact, been partially amended, certainly in the initial sense, by the Swiss and the Canadian authorities. The reason we do not have the amended form before us tonight is that the government apparently intends to give effect to the amendments by order in council at a later date. It is interesting that these amendments should have been prompted by Swiss banks which were balking at certain provisions in the treaty which they felt could create an administrative nightmare for them.

In short, while the treaty goes far further than the Swiss would normally have expected, it goes far further than the United States treaty in terms of ensuring the secrecy to which I have been referring. On the other hand the Swiss bankers have said that it is too complicated, from an administrative point of view, and they hope to have those complications removed. We understand the Canadian authorities have hastened to assure them that this will be done on the assumption

that once the bill has passed through parliament here the desired amendments can be made by order in council, in that way avoiding the need for frankness in this Chamber.

Hon. members should note that the treaty is retroactive to January 1, 1976. On this point the government has not been candid with us, as I have just explained. I ask hon. members why we should not have the final treaty presented to us before we ratify an agreement of this nature.

To deal with the German treaty, as the minister indicated earlier, when dealing with motion No. 1, there have been extensive changes in German tax law so I think the minister can correctly state that the treaty he was bringing before us for ratification could not be proceeded with at the present time, on the ground that it would be rather meaningless. On the other hand, despite the fact that there is every intention of amending the Swiss treaty, the government is pushing ahead with it whereas it could easily be held up and dealt with later.

Mr. Speaker, the administration has clearly failed to negotiate terms that would be in Canada's best interests. Now they are trying to slip this through in a bill ratifying five good treaties and one bad one.

● (2050)

The Swiss treaty does nothing to prevent the Polysar type affair; it does nothing to give us meaningful access behind the shroud of secrecy that protects those who would violate our laws. It is inadequately negotiated. It is unnecessary to implement it at this time. That is why I am proposing in my amendments that the Swiss treaty be deleted and not ratified. That is why I have proposed amendments aimed at setting aside the Swiss treaty until cooler, more rational minds prevail.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I am glad to have the opportunity to deal with the hon. member's four points. Dealing with the first one, the hon. member has questioned the competence of federal officials and their word in this matter, so I will not rely on them for my authority on this particular occasion. Indeed, I will go to that rather fascinating body of literature which he referred to, the tax haven literature.

The observation may be made, and has been made, that while Switzerland was at one time looked on as a tax haven, since the federal decree of 1962 this can hardly be accurate.

Mr. Stevens: I referred to a 1976 book.

Mr. Macdonald (Rosedale): Yes, indeed. For example, the highly respected magazine *Tax Haven Review* of February, 1975, asked very directly the question "Switzerland: Is It a Tax Haven", and on page 12 the author wrote:

> The short answer to this question must be emphatic: No. Public opinion has erroneously come to regard Switzerland as a tax haven possibly because of general misconceptions held about Swiss banking laws ... The truth of the matter Switzerland has no tax haven facilities in the generally accepted sense of the term.

Income Tax

Mr. Marshall Langer in an article entitled "Tax Havens of the World", published in the *Bulletin for International Fiscal Documentation*, Vol. XXIV, stated the following:

> Switzerland is probably the most difficult country to generalize about as a tax haven. Most direct taxes are levied by the cantons (of which there are 25), rather than by the federal government. Switzerland has concluded tax treaties with many other countries. Some of these countries complained to Switzerland that people from all over the world were using Swiss companies to take advantage of treaty concessions to which they were not entitled. A 1962 decree of the Swiss Federal Council has effectively put an end to these alleged abuses.

In the "International Tax Strategy" service published in London under the direction of Mr. Michael Edwards-Kerr, it is stated at page 1 of chapter 27, devoted to Switzerland:

> Even now, despite the existence of special "favourable" legislation in various cantons, quite a heavy tax burden must be paid for using Switzerland ... Up till the early 1960's Switzerland was the favourite tax haven ... Since the passing of the Federal Decree of December 1962 the attraction of Switzerland as a tax haven has diminished substantially.

In his book entitled *Tax Havens Encyclopedia*, Mr. Barry Spitz states on page 4 of the chapter devoted to Switzerland:

> During the past decade a slight change in the attitude of the government towards tax haven operations has become manifest. The cantonal authorities generally have been more restrained in granting special tax status. This attitude is due principally to the influence of foreign governments especially those with which Switzerland has signed treaties to avoid double taxation.

With regard to the rates of total tax burden, Mr. Speaker, according to Mr. Milton Grundy in his book "Grundy's Tax Havens—A World Study", the total tax burden by his standard, in West Germany, for example, is 35.1 per cent—

Mr. Stevens: On international income?

Mr. Macdonald (Rosedale): —in Great Britain it is 32.8 per cent, in the United States 28.3 per cent, and in Switzerland 25 per cent.

Mr. Stevens: Not on international income, come clean now.

Mr. Macdonald (Rosedale): I think, on the whole, Mr. Speaker, I would have to accept the judgment of Mr. Grundy rather than that of the hon. member for York-Simcoe (Mr. Stevens).

Mr. Stevens: Make it clear. He does not say on international income.

Mr. Macdonald (Rosedale): So it is quite clear that the hon. member is badly misinformed, that he has passed on judgments from the pre-1962 period. For this reason I think the House may safely reject the first of his arguments.

The hon. gentleman complained about the form of the tax treaty, particularly with regard to provision of information. I would point out to him, as he must know, that the form of this treaty is the same, for example, as the form for West Germany in terms of provision of information.

Mr. Stevens: It is not.

Mr. Macdonald (Rosedale): It is indeed. I would refer him in particular to Article XXV of the Swiss convention, which is

in substantially the form of that of the Federal Republic of Germany in regard to provision of information.

Mr. O'Sullivan: Communist Germany?

Mr. Macdonald (Rosedale): The hon. member says "Communist Germany". If he does not know that the Federal Republic of Germany is not communist Germany, maybe he should not be sitting in this House. So we are talking here of treaties in the form of the OECD model tax convention. The hon. member for York-Simcoe said that he approved of the other five treaties. They are in accordance with the model tax convention, as is this one right here.

The hon. gentleman made the allegation that amendments could be made to this treaty with Switzerland by order in council in such a way that they would not be known generally, and in particular that the House would have no opportunity of passing judgment on them. May I just point out to the House that while it is true that provision is made in this bill to have ratification of supplementary agreements on the tax treaties with the various parties made by order in council, there is a specific provision in the bill, Clause 23, providing that the order in question must be tabled in the House, and providing for a negative resolution procedure so that the House of Commons may debate that particular judgment, so that far from parliament not being given an opportunity to pass judgment on these questions, the tax law which we are specifically putting before the House this evening does provide for that kind of parliamentary action in regard to any of the orders which might be made.

The hon. gentleman referred to the fact that there have been discussions with regard to the tax treaty. Indeed I think he suggested at one point that the Swiss did not want this particular treaty to be ratified. I have seen no evidence that that is the Swiss viewpoint. Indeed my understanding is that there is an expectation on their part that the treaty will be carried into law.

I think it is fair to point out that, in the absence of this kind of treaty in regard to double taxation, Canadian nationals who may have business operations with Switzerland do run the risk, if we take the advice of the hon. gentleman, of having to bear a heavier tax burden than would be the case if the treaty is carried into effect. Therefore, far from being in the interests of any sinister forces in Switzerland, the reason that a government enters into a tax treaty with another country is to secure equitable treatment for its own nationals in relation to the foreign tax system.

I suggest, in light of that, and in light of the mistaken impressions under which the hon. member for York-Simcoe labours and which he put before the House, the House should vote against these particular amendments, and that we should move on from here to provide for approval of the Swiss tax treaty.

Mr. Stevens: On a point of order, Mr. Speaker—

[Mr. Macdonald (Rosedale).]

The Acting Speaker (Mr. Ethier): The hon. member for York-Simcoe is rising on a point of order.

Mr. Stevens: Would the hon. minister permit a question?

Mr. Macdonald (Rosedale): Go ahead.

Mr. Stevens: The minister has stated that the exchange of information provisions in the Swiss treaty and the German treaty are substantially the same. Before I ask him a direct question may I refer him to page 183 of the bill before us, where in article XXV of the Swiss treaty, under "Exchange of Information", it is stated:

> The competent authorities of the Contracting States shall exchange such information—

This is the important part.

> —(being information which is at their disposal under their respective taxation laws in the normal course of administration) as is necessary for carrying out the provisions of the present Convention—

● (2100)

I should like to direct the minister's attention to Article XXVI at page 31 dealing with exchange of information, which is the comparable section to the German treaty, that reads as follows:

> The competent authorities of the contracting states shall exchange such information as is necessary for the carrying out of this agreement . . .

The important words which were inserted in Switzerland and the reason we are making our amendment tonight is the information which is at their disposal under their respective taxation laws in the normal course of administration.

I would like to direct a question to the minister. Does the minister not agree that those two clauses are substantially different and that the Swiss treaty carefully protects and makes any obligation under their Swiss treaty subject to Swiss law, which is not the case in Germany?

Mr. Macdonald (Rosedale): Mr. Speaker, I do not agree with that judgment at all. Very obviously the same provision would apply to Canada. It is information which is in the possession of Canadian authorities, in the normal application of Canadian law, just as is in the application of tax laws by any other country which is involved in this regard. Therefore the distinction which the hon. gentleman draws is distinction without a difference.

Mr. Stevens: Mr. Speaker, I was wondering if the minister could explain to the House why the words in the brackets of Clause 25 of the Swiss treaty were inserted in the Swiss treaty but not in the German treaty? Those words read as follows: "being information which is at their disposal under their respective taxation laws in the normal course of administration". Why were those words inserted in the Swiss treaty but not in one of the other six treaties we have before us tonight?

Mr. Macdonald (Rosedale): Mr. Speaker, they are the result of negotiations between Canada and Switzerland. I should invite any member to look at the words again, and he will note that the words really express only the obvious in this

regard, namely, that it is information which is in the hands of the respective tax authorities of the two countries which is provided by this. There is no substantial difference involved by the words added in parenthesis.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I should like to participate briefly in this debate in order to endorse strongly the position taken by the hon. member for York-Simcoe (Mr. Stevens) and to raise with the minister some concerns and apprehensions I feel might arise by virtue of accepting this part of the bill relating to the Swiss treaty, at the present time.

The point has been well made by my colleague from York-Simcoe that there is a distinction in the wording with respect to exchange of information. The identical provisions are not in the treaty with West Germany as are contained in the treaty with Switzerland. The minister may want to discount those particular words referred to by my colleague by simply saying they are merely an administrative provision. I would suggest to him that he look at the provision more closely in light of the well-known provisions in Switzerland relating to secrecy in bank accounts.

There has been considerable discussion in this parliament on the use of Swiss numbered bank accounts with respect to payments made by Crown corporations. That was referred to by my colleague from York-Simcoe. At the present time the Swiss are reviewing the whole question of their numbered accounts. I mention this fact because, in dealing with the observations and criticism raised by my colleague from York-Simcoe, it is my understanding that in Switzerland secrecy rules are not waived with respect to bank accounts. In criminal investigations tax evasion is not an offence in Switzerland. This is a very important point for us to consider in this debate.

On the basis of my reading of Article XXV of the treaty, any information we may want to get in Canada with respect to moneys going into numbered Swiss bank accounts, by virtue of an attempt to avoid the payment of taxes in Canada, does not necessarily have to be provided by Swiss officials. They do not have to provide that information to us under the terms of this particular agreement.

Mr. Stevens: In fact it is a criminal offence for them to do it.

Mr. Hnatyshyn: As the hon. member for York-Simcoe should know, the Swiss officials are now in the process of reviewing the whole question of Swiss bank accounts and are trying to set down a new code of ethics and a new set of rules with respect to numbered bank accounts. An attempt is going to be made to bring them under stricter control with a new agreement between the National Bank of Switzerland and the Bankers' Association.

Professor Leo Schuermann, the director general of the Swiss National Bank, said:

> . . . the agreement will "settle to an important extent" the issuance of numbered accounts in Swiss banks—a special service long offered to assure anonymity.

The director general may be attempting to establish a new set of rules with respect to Swiss bank accounts. They have good intentions in Switzerland. I do not doubt that at all. As has been suggested by the hon. member for York-Simcoe, the acceptance of this treaty in its present form is somewhat premature, especially when we consider the fact that Swiss bank accounts are a very important element with respect to the whole question of double taxation and taxation matters in general.

The whole question of Swiss bank accounts has come under considerable pressure in Switzerland. They are pushing for reform as a result of a banking scandal last month at the Chiasso branch of Crédit Suisse, one of the country's three largest banks. Losses from the scandal apparently involved an unauthorized flight of capital from neighbouring Italy, which is estimated at something like $400 million. One can understand that there is great concern with respect to that kind of flight of capital and funds into Switzerland.

The Swiss have their own reasons for wanting to improve and revise their own system with respect to numbered bank accounts and the secrecy provisions. These provisions have been in effect since the thirties. They were as a result of deposits of money from Germany, by Jewish and other German citizens, during that period of time. At that time Swiss banks facilitated the flight of money from Germany. The removal of money from Germany, prior to the second world war, was a capital offence. That is the genesis of the establishment of anonymous numbered accounts.

As I have said, pressure is developing because of the suggestion that since the Second World War secrecy and numbered accounts have led to repeated clashes between Switzerland and other western countries which have claimed that Swiss bank accounts have facilitated the flight of hundreds of billions of dollars to that country, largely to avoid taxes. That is the whole point of this particular treaty.

For the minister to stand up and suggest the provisions of Article XXV are clear and unequivocal, with respect to this very important factor, is premature on his part. That particular factor has been brought out clearly by my colleague from York-Simcoe. As he showed, some serious questions concerning this treaty need to be answered. We should not ratify the treaty until the Swiss have revised their own rules governing numbered bank accounts.

• (2110)

The government seeks to ratify this treaty after certain developments have taken place concerning government agencies. Those developments were reported by the media. The minister himself has had experience of and contact with Polysar, one of the Crown corporations now in the news.

Mr. Stevens: He was the minister.

Mr. Hnatyshyn: He was the minister when certain developments concerning certain payments came to the fore.

Mr. Macdonald (Rosedale): I was not the minister at the time.

Mr. Hnatyshyn: The hon. gentleman says he was not the minister at the time. Since he was a member of the cabinet one assumes he knew about it. I hope he knew about these developments. Surely the government's attitude is strange.

A Crown corporation for which the federal government is responsible was involved in the payment of funds into a numbered Swiss bank account. The government surely is under the obligation to make sure we have the power or ability to obtain all necessary information, to enable us to identify to whom those payments were made, that is to say, who operated the numbered Swiss bank account, and why those payments were made. What was their purpose? Such information has not been forthcoming. I suggest there is a distinct relationship between that activity on the part of an agency of the federal government and our sanctioning this treaty at this time. I say this in view of the language of the treaty, or in view of the language of Article XXV concerning the obtaining of information from Swiss authorities on taxation matters and information relating to collection of taxes from Canadian citizens, corporations and nationals.

I understand that in Switzerland tax evasion is not an offence. Perhaps the minister can verify this. In other words, if taxes are evaded in Canada, or if Canadian taxes are evaded, that is not an offence in Switzerland, and they would not be obliged to give us information. If we try to collect taxes from people using a numbered Swiss bank account, we shall be whistling in the dark, for they could use a numbered Swiss bank account in order to hide money taken from Canada illegally.

The minister is responsible to this House. He ought to review the position and consider again the ratification of this treaty. He should accept the eminently sensible advice of the hon. member for York-Simcoe and accept his proposed amendment. After all, we can still consider the treaty. Apparently the Swiss will begin reviewing their numbered bank account system on June 6, or in four days. I suggest we should not pass this particular part of the bill. Perhaps this treaty could be introduced in a separate bill, once the points raised by my colleague from York-Simcoe have been met. We could do it after the Swiss have reviewed the operation of numbered, anonymous Swiss bank accounts. I say this because we may find, even after the Swiss have enacted a new code of rules governing their numbered accounts, that the code is still not satisfactory.

We may want to change the language of Article XXV to provide for carte blanche exchange of information without qualification. The minister may want to seek a legal opinion on the effect of such a provision. Perhaps we shall need to renegotiate the treaty, but I think the Swiss authorities will be receptive to this idea, if my colleague for York-Simcoe is right; since he is right 99.9 per cent of the time, I am sure he is right this time. Actually, I think he was wrong only once, and that's so long ago that it is most difficult to remember the event.

[Mr. Hnatyshyn.]

I do not think I make an unreasonable request. I suggest the Government of Canada should consider the consequences of ratifying a treaty imperfect in form, of perpetuating unsatisfactory conditions, and of countenancing the possibility of further incidents similar to the two or three raised not long ago in this House. I am talking of incidents involving Crown Corporations either directly or indirectly under the control of this government. I plead with the minister to reconsider the wording of Article XXV, to bear in mind the review which will soon begin in Switzerland, and to adopt the amendment proposed by my colleague from York-Simcoe.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I note that the Minister of Finance (Mr. Macdonald) is still working on about 36 treaties. It seems to me that at the end of the month they will be about 18 months behind schedule. Speaking on the amendment proposed by the hon. member for York-Simcoe (Mr. Stevens) the minister commented on tax treaties, suggesting that we like to enter into tax treaties with co-operating countries. That is true in some cases. However, in other cases as in the case we are considering, the minister does not distinguish between countries which co-operate with Canada and countries which do not.

I wish to put on record some incidents concerning our dealings with Swiss enterprises, to show why the House should support my colleague's amendment. I suggest most hon. members remember that a Canadian Crown corporation, Atomic Energy of Canada Limited, paid $2.5 million U.S. as its part of the fee due with respect to the sale of a reactor. The money was paid to Intercontinental General Trading Company, a nominee of Banca Della Svizzera Italiana, Lugano, Switzerland. We could trace the money that far. Many attempts were made to trace the money further. All attempts to discover the destination of these funds were met with silence on the part of Swiss banks, although Swiss officials were fully co-operative.

I shall read some letters into the record. The first letter was written by the treasurer of Atomic Energy of Canada Limited to the head office of the Royal Bank of Canada, in Ottawa, dated December 14, 1976. It reads in part:

> Could you please supply us with a copy of your transmittal wire and wire the above bank for the following information, with a copy to Atomic Energy of Canada Limited:
>
> 1. Date of payment
> 2. Name of payee
> 3. Name of signing authority for payee.

Some weeks later the Royal Bank duly replied to Atomic Energy of Canada Limited, with this information. I quote the letter the Royal Bank sent, under the signature of W. J. McCartney, dated January 7, 1977, which reads:

> Dear Sirs:
>
> Further to our letter of December 15th last, we wish to advise that on your behalf we contacted Banca Della Svizzera Italiana Lugano, Switzerland, who respond by telex as follows:

● (2120)

> "Re: Your telex of December 21, 1976—Atomic Energy of Canada
>
> We apologize for delay due to absence for Christmas holidays. We confirm that we have credited account of Intercontinental General Trading

Establishment with U.S. dollars 2,500,000 on April 26, 1974, according to your telex of April 23, 1974.

Intercontinental General Trading Establishment of Schaan agrees with us to forward you the following information:

Intercontinental is a company acting on a fiduciary basis on behalf of clients and the amount involved of U.S. 2,500,000 had been immediately transferred in accordance with instructions received.

The principals are at present on journey outside Europe and we are sorry not to be able to give a complete answer to your telex until we will be released from professional and bank secrecy. We shall revert to the matter as soon as possible.

With our best regards

Banca Della Svizzera Italiana Lugano"

The letter continues:

As indicated in the last paragraph of their telex, the correspondent indicates that on return of the principals they will advise further. We will inform you of their response immediately on receipt.

Yours truly,

W. J. McCartney

If the commitments indicated in that letter had been followed, we might not have had such a problem and we might not be so concerned about this bill. However, despite the Christmas holidays referred to and the holidays outside of Europe also referred to, there was a further follow-up from the treasurer of AECL to the Royal Bank of Canada, which triggered a further letter of January 24, 1977, from the Royal Bank of Canada to Atomic Energy of Canada Limited in Ottawa for the attention of Mr. E. Deslauriers, treasurer. I am afraid that again I have to read the letter because it says it as clearly as it can be said. It reads:

Dear Sirs:

Further to our letter of January 7th and yours of January 14th last, we quote below a telex message received from Banca Della Svizzera Italiana, Lugano, Switzerland.

"Further to our telex of Dec. 30, 1976 re Atomic Energy of Canada, we believe that it might be of interest for you to obtain the text of our statement we released to the Canadian Press on January 13, 1977.

—Quote

With reference to the recent CBC broadcasts in which the names of Banca Della Svizzera Italiana (B.S.I.) of Lugano, Switzerland and the nominee company Intercontinental General Trading Establishment (I.G.T.) of Schaan, Liechtenstein were mentioned in relation to a certain payment allegedly made in connection with the sale of a nuclear reactor to Argentina B.S.I. wishes to make the following statement on its own behalf and on behalf of I.G.T.:

1. B.S.I. and I.G.T. are not and have not been parties and/or participants in the above mentioned sale of a nuclear reactor to Argentina either as principals or agents.

2. B.S.I. and I.G.T. have acted in this matter only as a banker carrying out routine banking functions.

3. B.S.I. and I.G.T. stand ready if required to provide any further information which they may lawfully give to any properly instituted authority.

—Unquote

The telex continues:

Kindly note that we now have been informed by our principals that:

1. The ultimate beneficiary of the remittance of doll.2,500,000 was neither a Canadian citizen, nor a company or other body subject to Canadian law.

2. Furthermore the above mentioned beneficiary was neither the company Italimpianti, nor a company or another body controlled by the same.

Hoping to have been of assistance to you, we remain, with best regards,

Banca Della Svizzera Italiana, Lugano."

We trust the foregoing will be of some assistance to you.

Yours truly,

W. J. McCartney

I am sorry to put all that material before the House, but I think the story has to be set out in a little detail so that we can understand the significance of the extended absences and of the spurious agreement to give further information which may be lawfully given to any properly constituted authority. Of course the answer that comes to us loud and clear is that it is not lawful under any circumstances to give any further or meaningful information.

The media were not entirely satisfied with the progress that was made by the Canadian parliament and its committees, and they made some attempts themselves in that direction in a recent story which, I believe, appeared in the *Financial Post*. The following paragraph was contained in the newspaper which indicated that the Swiss officials were at least in some way concerned. It stated:

Meanwhile, in Lugano, the public prosecutor for the Sottoceneri region of southern Switzerland confirmed he has opened an official investigation into AECL's payment of the $2.5 million secret commission to I.G.T., the Banca Svizzera Italiana (B.S.I.) nominee company. Partly owned by Banca Commerciale Italiana, Italimpianti's bankers, B.S.I. has its headquarters in Lugano.

Nothing ever came of that investigation and no further information was ever made available to the Canadian parliament of its committee.

One might consider that that would be regarded as an isolated instance, but of course members of the House will also be aware of the fact that there was another Canadian involvement in the way of Polysar Limited, a Crown Corporation, and further millions of taxpayers' dollars were paid into numbered Swiss bank accounts. The fact that they are numbered may not be completely significant because I understand all accounts are numbered, but the point is that these were secret accounts.

Polysar, in the light of these transactions, as a Canadian Crown corporation stood accused of involving itself in procedures which could have had the effect of hiding tax revenues from the Canadian taxation authorities. These practices would have enabled foreign customers to avoid foreign exchange regulations in the countries where they were located. They could have had the effect of evading income taxes in the countries involved, and they could have had the effect of defrauding minority shareholders in the customer companies.

Many officials from the companies came and testified, and others were invited to come and lend their testimony to try to sort out this matter for the benefit of the taxpayers of Canada whose many millions of dollars had been involved in these practices. However, we found that many witnesses, first of all out of fear of the Swiss secrecy laws and Swiss laws which

prohibit disclosure of any information on the basis of confidentiality, refused to appear at all, and finally, on the assurance of the committee that no proceedings would be initiated against them for what they said here, they still feared their prosecution under Swiss law and said they would only appear if they were allowed to appear with Swiss counsel at their side so that they could be advised before they answered.

I think my colleague, the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn), made reference to the banking reform that is taking place now in Switzerland in light of certain irregularities that have been discovered in the banking industry there. It seems that his plea that we wait until this reform is completed is a good one.

● (2130)

I would like also to refer to Article XXV in the treaty. I think the hon. member for York-Simcoe already referred to this. We find that in the Swiss treaty, unlike many of the others which we are being asked to pass at the same time, there is a strange reference to the exchange of information, and referring to this exchange of information the following clause is added: "being information which is at their disposal under their respective taxation laws in the normal course of administration".

It is difficult to understand that the minister was unable to explain what purpose this clause had in this particular agreement when it did not apply to the agreements of any other countries. And when one puts together the fact that Swiss law prohibits the release of information concerning bank accounts to any other competent authority, including the Government of Canada, and the fact that Swiss law would therefore not permit any information to be exchanged because it would not be at Switzerland's disposal as required under that clause, this can hardly be considered as the action of a co-operative and friendly government. I think the minister is not doing service to the House or to the Canadian taxpayer by rushing this bill through without considering these very important factors.

The minister well knows—and his colleagues can certainly remind him—of the furore which was created over the apparent careless use of millions of taxpayers' dollars in the instances to which I have referred.

For all these reasons I want to give my full support to the amendment proposed by the hon. member for York-Simcoe. I reiterate that we have little to gain at this time by passing this now, and we may have very much to gain by waiting until these glaring anomalies have been clarified by the Minister of Finance.

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my contribution to the debate tonight will not be a long one, unfortunately, but I have not had very much time to prepare because I did not realize that this bill would be debated tonight when I am on duty. Having the distinct pleasure of being on duty today, I would like to say a few words about this bill in support of my colleague, the hon. member for York-Simcoe (Mr. Stevens), who has proposed a very worth-while amendment.

It is certainly an unusual and unlikely event to see the Minister of Finance (Mr. Macdonald) here today equating himself with Swiss gnomes. He is the most unlikely Swiss gnome I have ever seen, at least here in this House, but tonight he aligned himself with the Swiss. When I refer to Swiss gnomes, I refer to financial gnomes. Why is Canada rushing to engage in a tax treaty with Switzerland? If there is any need to engage in a tax treaty with Switzerland, obviously we should try to get something out of it which is to our benefit. Other countries besides Switzerland are used by financial dodgers, financial skimmers, financial scallywags, financial carpetbaggers, financial birds of prey, or financial flim-flam men as places to take their ill-gotten gains and bury them in unnumbered, numbered, or unknown bank accounts.

If we are going to have a tax treaty with Switzerland, would that not be an opportunity for us to try to get some concessions from Switzerland so that our government will no longer have the excuse, when a matter comes up before the Public Accounts Committee regarding pay-offs to agents or whatever it is, of saying that it cannot get information on that matter, so that our government would be in a position to get information when information is needed for tax purposes or for criminal prosecutions, and so that the government can get information from Switzerland?

The government's absolute lack of action and lack of enthusiasm about doing anything to get some information for the Public Accounts Committee on what happened in connection with AECL and the pay-offs which occurred with reference to the Korean contract, and the pay-offs which occurred with reference to other contracts with Polysar, have been the most laughable things I have noticed in my brief months in this House. The government has had an absolute lack of vim, vigour or enthusiasm in attempting to get information on those matters. It is laughable that the government should absolutely accept the statements made by the people involved, who said that if they were to give information to the Public Accounts Committee they would violate the laws of Switzerland or some other country. They said they positively could not be expected to inform one of our House committees of the facts in connection with these pay-offs made by Crown corporations to agents, customers, or otherwise.

Frankly I am fed up with this. If Canada is going to enter into a treaty with Switzerland, with Panama, with Costa Rica, or with Liechtenstein, Canada should be getting something in return, and Canada should take some action to stop these countries from being havens for birds of prey who use them as places to transfer their ill-gotten gains, in a manner unknown to their own jurisdictions.

Some hon. Members: Hear, hear!

Mr. Crosbie: Let me give the House an example. We all know about the Churchill Forest Industries incident in Manitoba and about how an entrepreneur from outside the country was able to sweep into Manitoba, inveigle the govern-

ment into participating in the Churchill Forest Industries complex there, make millions of dollars, take them out of the country, hide them in Switzerland and in other countries around the world, and get away with it. That person still has not been brought to justice.

In Newfoundland we had a similar experience. When we came into office in Newfoundland in 1972 we came across a situation in which one John C. Doyle, a promoter for Canadian Javelin Limited, was involved in a matter with the previous government. The premier of the province, (Mr. Smallwood)—I think it was in 1965—gave a company known as Society Trans-shipping Incorporated of Liechtenstein—another tax dodge haven and another refuge for the criminal element of the world—a letter which said that company had the right to cut wood in 10,000 square miles of the mainland of Newfoundland, Labrador.

There was no order in council, no Crown lease, no Crown grant, and no document approved by the cabinet, but there was a letter from the premier of the province to Society Trans-shipping Incorporated telling that company it had the right to cut in 10,000 square miles, which I believe is bigger than the whole province of Prince Edward Island. There are 110,000 square miles in Labrador. Society Trans-shipping Incorporated of Liechtenstein, which had a bank account in Switzerland, sold its letter to Canadian Javelin Limited for $3.9 million. I am using round figures, but it was in that area.

Any lawyer who ever graduated from law school in this dominion could have advised Canadian Javelin Limited that the letter was not worth the paper on which it was written, that it did not have a scrap of legal validity, and that Society Trans-shipping Incorporated had not a jot or tittle of a right to do what it did. In fact even a layman could have advised that. Anyone but a numbskull, nitwit, or crook could have advised that that letter gave nothing. It certainly gave nothing worth $3.9 million belonging to private shareholders. That scrap of paper was signed by a premier and was authorized by a government, but there was no order in council and no legislation passed to validate it.

● (2140)

The question is: who owns Society Trans-shipping? That is the $3,900,000 question. Although I know who owns it I cannot prove it, nor can the Newfoundland government prove it, because no one can get behind the laws of Liechtenstein to find out who owns it. Are we putting up with this in Canada? We have no power in connection with Liechtenstein, but if a treaty ever comes before this House in connection with anything in Liechtenstein I will be 100 per cent against it until the Minister of Finance can find out from that country who is behind Society Trans-shipping and similar enterprises. That is the same sort of thing the government should be looking for in connection with Switzerland.

I happen to know that the $3,900,000 or whatever got transferred to Society Trans-shipping, went to Liechtenstein and passed through that country like a thief in the night to a bank in Switzerland. We can only guess where it went from there. I could use the immunity of this House to say who I am 100 per cent sure it went to, but I shall not.

An hon. Member: Oh, come on.

Mr. Crosbie: No, I will not.

An hon. Member: Put up or shut up.

Mr. Crosbie: I want hon. members opposite to bring in some legislation relating to Liechtenstein so that we can find out. This kind of skulduggery, this kind of crooked deal, this kind of suspicious deal, this kind of high level white collar, ingenious theft, is taking place every week of the year in Canada and other countries. Are we doing anything about it?

An hon. Member: How do you know that?

Mr. Crosbie: I have just given one instance of it, and we know there are hundreds of others. We can look at Churchill Forest Industries, Canadian Javelin, Society Trans-shipping, and we can look at who is down in Panama right now. That is another question, Mr. Speaker, and this gives me another opportunity to bring it up. I see the Minister of National Revenue (Miss Bégin) is in the House. The unequal administration of the tax laws of Canada is another matter that is not yet settled and it will be heard about in this House until the laws are administered equally.

Miss Bégin: Explain.

Mr. Crosbie: How can a taxpayer who owes millions of dollars in taxes be allowed to go 24 years without paying, go to Panama and stay there, a fugitive from justice, while this government does nothing about it? This matter will be heard about in the House until the answers are forthcoming.

When the Minister of Finance brings in a tax treaty with Switzerland or Panama or Liechtenstein or Costa Rica or anywhere else where the carrion of this world gather with their ill-gotten gains, we want to see what benefits Canada gets from it. What is Canada getting from this treaty with Switzerland? Are they opening up to the Department of Finance and the RCMP the unnumbered bank accounts of Canadian citizens who might be suspected of having ill-gotten gains over there? Is that one result of this treaty? Are they going to give our police co-operation in looking into financial frauds, in Switzerland? If they do not, then I say this bill is not worth our support and I will vote against it.

The criminal who steals a loaf of bread or breaks a window goes to jail for six months or a year, but the white collar, high flown, financial flim-flam confidence man gets away with millions. What is done to bring him to book? Nothing is done about it.

We all heard about the just society in 1968. Ha, ha! Where is the justice while the scallywags, the skimmers, the carpetbaggers, the birds of prey, and the flim-flam men roam the world—Liechtenstein, Panama, Costa Rica, Switzerland? I say let us put an end to it.

Some hon. Members: Hear, hear!

Mr. Crosbie: I am only an unsophisticated country boy from Newfoundland, Mr. Speaker. I never thought I would see the day when Crown corporations would be whacking the money out to agents in Switzerland while a committee of this House was unable to get co-operation from the Minister of Energy, Mines and Resources (Mr. Gillespie) or any of the hon. lot opposite to find out where it went and to whom.

An hon. Member: Did you say the hon. louts opposite?

Mr. Crosbie: The hon. lot—the hon. crowd opposite, the hon. gentlemen.

I do not want to occupy the time of the House tonight Mr. Speaker—

Some hon. Members: More, more.

Mr. Crosbie: I have learned of the interest of the Minister of Finance in Grundy's tax havens. I never thought there was such a thing as a Grundy tax haven, but I suppose if one is interested in a tax haven even Grundy's is better than nothing.

I will end with this piece of poetry in honour of the occasion, Mr. Speaker.

We will follow Sinc to Toronto or Rome
Rather than Donald the giant Swiss gnome
Reject this tax treaty in the Liberal tax haven
Their gall and effrontery is truly amazing.

Mr. Macdonald (Rosedale): You ought to be a critic. You are terrific.

Mr. Hnatyshyn: You get nine out of ten for that one.

Mr. Crosbie: Mr. Speaker, I want to warn all hon. gentlemen opposite about something I learned on a trip to Switzerland last year.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): To check your account?

Mr. Douglas (Bruce-Grey): Did you open an account?

Mr. Crosbie: I did not open an account. But when you are in Switzerland, Mr. Speaker, never say to anyone, "I've got your number!" Your life would possibly be in danger.

I must admit I have a sneaking admiration for the Minister of Finance—particularly on learning that he is going to leave us this fall. I hate to vote against a piece of legislation that he has laboured so long and so hard over, as a Swiss treaty. I know he stayed up nights working on this one—it was to exemplify his whole career in federal politics. To have to vote against this touches me sorely. The only thing that might persuade me to vote for the bill is a piteous plea for mercy from him tonight not to spoil his departure from this House into retirement and into the decent security of a $1 million a year with McCarthy and McCarthy.

Some hon. Members: Hear, hear!

[Mr. Crosbie.]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I agree that it is going to be tough to vote against this bill when the hon. minister is to leave us so shortly. Perhaps he read in the paper today that he is supposed to bring in a new budget because the dollar has dipped below 95 cents. It has touched psychological bottom.

In regard to the Swiss connection, I must say it seems that this would be the time to try to find some solutions to the problems that beset us—the problems of the Churchill Forest Industries which negotiated under cover of unnumbered Swiss bank acounts, for instance. These things are all the more difficult now that we are proceeding to ratify a treaty with Switzerland.

The United States seems to have better luck in getting information from the Swiss on people who are suspected of tax fraud and other criminal activities. We also have these difficulties with Liechtenstein, as the hon. member for St. John's West (Mr. Crosbie) indicated. Surely it is time we got to the bottom of all this. They cannot even seem to find the individual involved, let alone his numbered bank account. If they knew where his bank account was, it might help.

● (2150)

There does not seem to be anything to gain from ratifying this treaty at this time with Switzerland. No effort seems to have been made to ascertain whether they would be willing to give some information to our authorities.

I believe that the Swiss people are having second thoughts about the use of numbered bank accounts which has brought that country into disrepute. It is ridiculous to pass this bill when the Swiss themselves are indicating they would like to stop some of what has been going on with other countries. The Swiss are pushing for amendments to the treaties. Are the Swiss banks balking at the provisions of this treaty which could create an administrative nightmare for them? The Minister of Finance (Mr. Macdonald) has not spelled out why it is impossible for the Swiss authorities to open their books to our law people in order to find out what is taking place.

We seem to have the idea that Crown corporations are beyond reproach. We have reservations about their ability to carry on business, but whatever else they do, they do honestly. However, the Polysar evidence has cast some doubt on this. We will not know what is happening on Polysar until the treaties are amended and we can find out through the numbered Swiss bank accounts who received what and where it went.

I wish to add my objection to passing this section with regard to Switzerland at this time. I hope the deal can be renegotiated so that we will have more fair and equal treatment. It would clear up some of the cloud behind which many people hide, using Swiss bank accounts for purposes not in the best interests of this country.

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, I rise to join this debate for a few moments to add my comments and a few words of support for the arguments

advanced tonight by my colleagues, the hon. member for Dauphin (Mr. Ritchie) who just spoke, the hon. member for York-Simcoe (Mr. Stevens) who led off this debate on behalf of our party, the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn), and the hon. member for Vancouver-Quadra (Mr. Clarke).

Like all members, I consider it a privilege to have sat in this Chamber this evening and have heard one of the new fellows. I speak as a two-term veteran in the House in so referring to him. I refer to the hon. member for St. John's West (Mr. Crosbie) and his eloquent remarks tonight—

Some hon. Members: Hear, hear!

Mr. O'Sullivan: —and also his entertaining remarks. I believe even the Minister of Finance (Mr. Macdonald) found some enjoyment when the hon. member for St. John's West referred to greener pastures which may lie ahead for our friend from Toronto, the Minister of Finance.

There seems to be a theme which has pervaded the remarks of members on this side of the House in our contribution to the debate. It is a theme I would like to endorse and speak briefly upon. It refers to the question of openness, especially in matters of finance, particularly as they relate to government.

Since the tragic occurrence in the United States known as Watergate, there has evolved abroad in this land a cynicism about public life which is very discouraging to one of that generation that now forms over 50 per cent of the Canadian population.

When I was first elected to the House of Commons in 1972, I was asked, I guess because I was much younger in those days, to speak at a great many high schools in my constituency and in other places. Very often the first question put to me by students in assembly was: how does one go about getting elected to the House of Commons? At that time students were very excited about public life, interested in its challenges, and thought it to be a worthy pursuit.

A few weeks ago I spoke at two high schools in Hamilton. That question, which had not been posed for some time, was turned around and asked in reverse. I asked the students assembled if any of them would like to serve in public life at the municipal, provincial, or federal level of government. In the first high school I could not find one student who wanted to pursue a career in public life. At the second high school I found one student who thought he might take a chance in seeking public office.

I believe the reason for this change in such a short number of years in the attitude of Canadians generally, but especially young Canadians, about public life and a career in politics, has to do with the central theme to which I am referring—honesty and openness in politics, in business, and in our general approach in our everyday dealings with one another.

On the international scene relations between countries are really no different because countries are no more than a collection of individuals. Obviously we have different feelings toward different individuals, and countries have different feelings toward one another. In all of those relations, be they interpersonal on a one-to-one basis, or be they in the international field of economics or politics, there should be certain constant principles. Foremost among them would be that of honesty.

The question facing us tonight is not only what benefit would accrue to Canada and the Canadian people by this bill sponsored by the Minister of Finance. Behind that we should approach it with these questions: does it promote honesty in our relations with other countries? Does it help promote honesty in the business of politics? Does it encourage a belief that there is honesty in international finance, honesty in diplomacy, and honesty and openness in public life?

Regretfully I must conclude, buttressed by members of the Conservative party who have spoken tonight, that the answer to these questions would be no. Rather than open up these central questions in a way that would encourage Canadians to believe that there is a new spirit of honesty in our approaches to international financing and politics, it does the reverse. It covers up. At a time when we most need openness and honesty, it is doing the exact opposite to what we need. That is deeply regrettable.

Mention has been made of Swiss bank accounts. As the hon. member for Dauphin noted, the Swiss authorities themselves are questioning the age old practice of having secret numbered bank accounts in Switzerland. Those of us who sat in the House throughout the scandal related to the payments made to a person or persons unknown using such bank accounts must be especially concerned as to what this legislation will do. It may encourage such practices to continue. I hope not. If that is the case, it is doubly regrettable, and surely no hon. member here would wish to see it passed.

● (2200)

I wish to congratulate those who have put forward in greater detail our reasons for opposing this proposition put before us by the Minister of Finance. I hope he will take our comments to heart, bearing in mind that it is not a case of opposition for personal reasons—during the debate several kind things have been said about him and if he does not find them encouraging he must certainly find them refreshing coming, as they do, from this side of the House. I endorse the remarks made by hon. friends because if we lose the interest of young Canadians in public life because we fail to pursue actively policies of openness in all our dealings at every level, nationally and internationally, there is no future for this country and no future for this institution, because politics will be lost by default, and those with higher aspirations will have lost faith in us. This may appear to be a supplementary issue, but I state it, to use a phrase often employed by another member of this House, with all the sincerity and conviction I can command as being a deep concern of mine.

I hope the minister and his officials, should this bill go forward, given the majority situation in which the government temporarily finds itself, will take these views into account and reconsider the action to which they have committed them-

selves. I hope we can see the dawn of a new day in which politics will be restored as the high calling I believe it to be, so that all of us can visit high schools across the country and reply without embarrassment when young Canadians ask us why it was we entered public life.

The Acting Speaker (Mr. Ethier): Order, please. Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): The question is on motion No. 2, and likewise on motion Nos. 2, 20, 22, 24, 26, 28 and 31 standing in the name of the hon. member for York-Simcoe (Mr. Stevens).

Is it the pleasure of the House to adopt the motion?

Some hon. Members: No.

The Acting Speaker (Mr. Ethier): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the nays have it.

And more then five members having risen:

The Acting Speaker (Mr. Ethier): Is there agreement that we defer this vote as well as the others?

Mr. Goodale: Mr. Speaker, pursuant to some comments in the House earlier this evening, there were discussions held regarding the divisions which might be required to dispose of the business this evening. Further to these discussions, I believe there is a general disposition in the House that any divisions which are required should be deferred until next Tuesday at 11 o'clock.

Mr. Paproski: There is no 11 o'clock sitting on Tuesday; it is an opposition day.

Mr. Goodale: If there is no morning sitting on Tuesday, perhaps the most appropriate time would be immediately following Routine Proceedings. If that is agreeable perhaps we could make that an order of the House at this time.

Mr. Hnatyshyn: Mr. Speaker, that is agreeable from our point of view. There will be no sitting in the morning on Tuesday, it being an allotted day. Therefore the first opportunity would be after Routine Proceedings, and we are quite agreeable to having that order made now.

Mr. Knowles (Winnipeg North Centre): Let me make it unanimous, Mr. Speaker. It is our understanding that there will be no morning sitting on Tuesday, it being an allotted day. I also agree with the others that an appropriate time for these votes would be immediately following Routine Proceedings on Tuesday afternoon.

[Mr. O'Sullivan.]

The Acting Speaker (Mr. Ethier): There seems to be general agreement that votes on Bill C-3 and Bill C-12 be deferred until Tuesday at the end of the question period. Is that agreed and so ordered?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, although I think the rule calls for it, could it not now be understood that the bells will ring on that occasion for only 15 minutes?

The Acting Speaker (Mr. Ethier): Is it agreed and so ordered that the bells will ring for only 15 minutes?

Some hon. Members: Agreed.

* * *

FINANCIAL ADMINISTRATION ACT AND SATISFIED SECURITIES ACT

MEASURE TO REPEAL SECURITIES ACT AND AMEND ADMINISTRATION ACT

The House proceeded to the consideration of Bill C-8, to amend the Financial Administration Act and to repeal the Satisfied Securities Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Alex Patterson (for Mr. Lambert (Edmonton West)) moved:

That Bill C-8, to amend the Financial Administration Act and to repeal the Satisfied Securities Act, be amended in Clause 1, by adding immediately after line 20 the following new subsection:

"(3) In this section the instrument of release or discharge as referred to in subsection (1) shall be deemed to be a statutory instrument within the meaning of Paragraph 2(1)(d) of the Statutory Instruments Act".

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, on behalf of my colleague, the hon. member for Edmonton West (Mr. Lambert), I should like to speak to his suggested amendment; the hon. member cannot be in the House this evening. I draw the minister's attention to the fact that at the first meeting of the Standing Committee on Finance, Trade and Economic Affairs held on November 2, 1976, the amendment before the House was substantially discussed, and at that time the minister's parliamentary secretary attempted to satisfy the committee with regard to the point.

In short, the amendment arises from the uncertainty which seems to exist in regard to the impact of the amendment that is in Bill C-8 itself. Hon. members who have read the bill know that the government is asking that the Financial Administration Act be amended in order to give greater facility for the signing of various discharges and other types of releases. My colleague from Edmonton West raised the point that he felt

that it had not been clearly defined exactly what the impact would be of these instruments and releases or discharges, whatever you like to call them. The suggestion was then raised that it would be better simply to refer to the instrument as being included within the definition which is found in clause 2(1)(*d*) of the Statutory Instruments Act. That act was assented to on May 19, 1971. It appears as chapter 38 in the Statutes of Canada for 1970, 1971 and 1972.

● (2210)

For those who are interested, the subsection my colleague has referred to in his amendment is found at page 2 of the act. It is quite a lengthy description, but essentially it clarifies what a statutory instrument is. The thrust of the amendment before us is that, for clarification, the amendment the government is seeking should be added to with the view that it will be clear that an instrument of release or discharge shall be deemed to be a statutory instrument within the meaning of clause 2(1)(*d*) of the Statutory Instruments Act.

To summarize, I am simply saying we are hoping the minister will accede to this request. It will clarify what we are seeking here in the main amendment which is found in Bill C-8. For greater certainty people would turn to section 2(1)(*d*) of the Statutory Instruments Act to see what a statutory instrument will include. This point was raised at committee because the government seemed to be very casual in indicating what the releases for the discharges would be for which it was seeking the new found power to give. It stated that it was casual stuff which involved the Department of Indian Affairs and Northern Development, and sometimes mortgages were required to be discharged and other instruments of that type. We are fearful the amendment may be intended to cover that type of thing, but it will be interpreted in a much larger sense in due course. We will find releases and discharges may be given in a rather casual way, as a result of the amendment which the government is proposing, much more casual than is the case of such releases or discharges clearly defined as statutory instruments.

Statutory instruments, of course, would be reviewable by the Standing Committee on Regulations and Other Statutory Instruments. It is a proper safeguard for the Parliament of Canada through that committee to have a look at what exactly are the releases and the discharges which are being signed by ministers of the Crown. In truth, it is a tremendous power to be giving to a minister—the right of the minister to sign on behalf of the Government of Canada rights which otherwise might be accruing to the Government of Canada. Why not define it as a statutory instrument so that we have the protection of that act and the reviewability of each of the releases and the discharges before the Standing Committee on Regulations and Other Statutory Instruments which is contemplated?

In order to expedite matters tonight, that is as far as I should go. It would be interesting for members to hear the minister explain why he will either accept our amendment, or if not, why he decides to turn down this clarification we are seeking.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, what we are dealing with here, in the very simplest terms, is the present provision of the Satisfied Securities Act which requires an order in council and a cabinet decision about each discharge of a mortgage—or a lien of some kind taken by the Crown under one of the many statutes which provide financial assistance to various kinds of Canadians. At present the law requires that each one be as a result of a specific decision by cabinet or by a cabinet committee. For a better sense of administration, this responsibility should be transferred from the cabinet level to the ministerial level. This makes good sense in terms of administration. We are talking about the hundreds of thousands of instruments which are delivered every year under the Veterans Land Act and under the various kinds of statutes for which my colleague, the Minister of Indian Affairs and Northern Development (Mr. Allmand) is responsible. It does not make much sense to have this procedure dealt with at the cabinet level. It is a ministerial decision.

I have some difficulty understanding why the hon. member for Edmonton West (Mr. Lambert) would want to have the committee look at thousands of chattel mortgage discharges or lien discharges. It is not the kind of statutory instrument with which the committee was set up to deal. One might almost say that to include this provision, to encourage the committee to look at thousands of such documents every year, is a Machiavellian way of occupying the committee's time and therefore render it less able to concentrate on more fundamental matters.

There are two reasons for not accepting the amendment, and the first is purely practical and sensible. If you are talking about discharging mortgages, you are not talking about law-making statutory instruments. Indeed it is fair to say that we are not talking about statutory instruments at all. The relevant characteristic of a statutory instrument is as follows. I quote from the Statutory Instruments Act, that act cited by the hon. member for York-Simcoe (Mr. Stevens). It is that it is made "by or under an act of parliament by or under which such instrument is expressly authorized to be issued, made or established otherwise than by the conferring on any person or body of powers or functions in relation to a matter to which such instrument relates." It is my view that the proposed section 95.1 of the Financial Administration Act does not result in the creation of a statutory instrument to be issued, made or established but rather confers a power on an appropriate minister to execute and deliver an instrument.

As I say, it is somewhat hard to see the relevance of the issue. The only significance flowing from the fact that an instrument is a statutory instrument would be that pursuant to Section 26 of the Statutory Instruments Act it would stand referred to the statutory instruments committee. I am advised that the practice at the moment is that none of the instruments currently made by order in council pursuant to the Satisfied Securities Act is being referred to that committee. These documents are not required to be published in the *Canada Gazette*; therefore the position has been taken that they should

not be referred. Since it is clear they would only relate to a particular individual and a particular transaction and be of no continuing interest or public concern, there would be no reason to publish and refer to the committee of parliament. Indeed, these relate to routine legal transactions that are carried out innumerable times by the legal profession in Canada.

I have listened to the hon. member presenting his argument, and read on the record what the hon. member for Edmonton West said in support of it. He must have a mistaken impression of what is involved. It does not seem to me that instruments which, under provincial law, are discharges of chattel or real mortgages are the kinds of instruments which should be included under the Statutory Instruments Act. I cannot see the value of that suggestion. That is why my parliamentary secretary and I are not persuaded it is a good argument and suggest that this would not be a useful addition to the work of the statutory instruments committee. I would therefore oppose the amendment.

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

Some hon. Members: Question.

● (2220)

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

Some hon. Members: On division.

The Acting Speaker (Mr. Ethier): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the nays have it.

Motion negatived on division.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Since this report stage amendment has been disposed of, perhaps my friends to the right would agree that we give third reading to the bill and get something out of the way today.

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale) moved that Bill C-8, to amend the Financial Administration Act and to repeal the Satisfied Securities Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

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

[Mr. Macdonald (Rosedale).]

Some hon. Members: Agreed.

Motion agreed to.

Mr. Macdonald (Rosedale) moved that the bill be read the third time and do pass.

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

Some hon. Members: Hear, hear!

* * *

GOVERNMENT ORGANIZATION (SCIENTIFIC ACTIVITIES) ACT, 1976

MEASURE RESPECTING ORGANIZATION OF CERTAIN SCIENTIFIC ACTIVITIES OF GOVERNMENT

Mr. Faulkner (for the Prime Minister) moved that Bill C-26, respecting the organization of certain scientific activities of the Government of Canada, as reported (with amendments) from the Standing Committee on Miscellaneous Estimates, be concurred in.

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

Some hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Ethier): When shall the bill be read the third time? By leave, now?

Some hon. Members: Agreed.

Mr. Faulkner (for the Prime Minister) moved that the bill be read the third time and do pass.

He said: Mr. Speaker, I am very pleased to introduce this bill for third reading. It was introduced last December, it has been reviewed in detail in the Standing Committee on Miscellaneous Estimates, and it has been the subject of discussion with the university community. I might say that I appreciate very much the co-operation I have had from both sides of the House in proceeding with the bill. I would just like to make some comments on this final stage of the bill.

The main impact of this bill will be on the university community. I believe the reorganization of the granting councils will open the way to a new relationship between the government and universities in research matters. Perhaps I might speak about that for a moment.

The growth of university research over the last 15 years or so has been considerable. In 1961-62 the granting councils provided $26.5 million to the universities; in 1977-78 the estimates for the councils call for $172 million to be spent on research grants.

In the rapid development of the universities in the 1960's, there was strong competition among the universities to gain recognition and status in research. Universities vied with one another in trying to build up schools of graduate studies very

quickly. I think it is fair to say that most of them had had little experience in guiding efforts in research, and few had a conscious policy which gave direction to these efforts. The emphasis was on attracting individual researchers of great ability who were then supported in research of their own choosing. Our universities, and Canada as a whole, benefited by bringing into their ranks scientists and scholars of outstanding calibre.

On the other hand, a price was paid. In nearly every university there are some well developed programs of research in certain departments, but generally there is a wide dispersion of research competence spread thinly over most disciplines. One would have to say this has been a consequence of the laissez faire attitude of both the universities and the granting councils to research growth. We cannot be too surprised at this. Priorities for research have not been clearly enunciated by government or the universities, and the councils, reflecting the prevailing view, have judged research or scholarly projects almost entirely on the competence of the applicant and on the scientific feasibility of the project. There has been little, if any, co-ordination of university research objectives regionally or nationally.

Since becoming minister of science last September I have visited many universities and talked to many university scientists and scholars in an attempt to understand what the role of university research should be. Is the main purpose of this role to push back the frontiers of knowledge? Is it to train graduate students to be competent researchers? Should it be helping to solve problems posed to it by governments or industry? These are difficult questions because universities are complex institutions serving many goals and constituencies of our society, but I believe the answer is all three. My perception is, however, that there has been an imbalance in favour of the first two and at the expense of the third. I have reached the conclusion that the universities must begin moving more of their research and inquiry into the mainstream of effort aimed at understanding and solving our pressing national problems.

I am not saying by this that research which is stimulated solely by the imagination of the researcher and whose objective is discovery, nothing more, should not be supported or should be downgraded in any way. Curiosity-oriented research—or discovery oriented, as John Polanyi has said—must continue to receive solid support. Although the last few years have been tough, I believe that an even more selective process is needed, however, which will allow those relatively few individuals whose research is of recognized quality, at least nationally and possibly internationally, and who have shown a rare blend of knowledge, imagination and passionate interest in discovery, to be supported well, perhaps better than they have been in the past.

There are, on the other hand, many individual researchers and groups of researchers whose talents and dedication might equally be challenged by identifiable issues of priority concern to governments and the public at large. It has become apparent to me in my visits that the nature of the research enterprise in universities has been changing. The existence of cross-disciplinary groups—in environmental and policy institutes, for example—and the collaboration that has been taking place on large projects is shifting the attitudes of university researchers. Whether recognized or not, the laissez faire attitude to the support of university research has a much narrower validity than it once had.

What this means is that the time has come for a more activist approach by the granting councils to the determination of research priorities and to the creation of new policies and programs which will give university research an even greater opportunity to respond to national needs. Bill C-26 is important because it creates a new and dynamic framework in which this vital, evolutionary change in the direction of councils can take place.

I disagree wholeheartedly with an hon. member opposite who, quoting a university person, said in the committee "This bill represents an idea whose time has come and gone". I believe its time is very much now. Mr. Speaker, I see that you are agitated.

Mr. Knowles (Winnipeg North Centre): The time is now.

The Acting Speaker (Mr. Ethier): Order, please. It being 10.30 p.m., this House stands adjourned until tomorrow at 11 a.m.

At 10.30 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Friday, June 3, 1977

The House met at 11 a.m.

● (1110)

ROUTINE PROCEEDINGS

[*English*]

ENVIRONMENTAL AFFAIRS

PROPOSAL THAT THOMPSON COMMISSION INQUIRE INTO EFFECTS OF OIL TANKER TRAFFIC IN STRAITS OF GEORGIA AND JUAN DE FUCA—MOTION UNDER S.O. 43

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, namely, marine traffic in oil and other hazardous cargo along the west coast of Canada. In view of the fact that Dr. Andrew Thompson indicated yesterday that he is anxious to continue his investigation under the Public Inquiries Act into the marine and environmental risks of west coast tanker traffic, and in view of the fact that the abandonment of the Kitimat proposal may result in substantially higher volumes of tanker traffic in the Georgia Strait and the Strait of Juan de Fuca, I move, seconded by the hon. member for Surrey-White Rock (Mr. Friesen):

That the Thompson Committee, under the Public Inquiries Act, be instructed to continue its investigations and, if necessary, that the inquiry's terms of reference be amended to permit it to shift its emphasis from the Kitimat area to the Strait of Georgia and the Strait of Juan de Fuca.

Mr. Speaker: The provisions of Standing Order 43 require the unanimous consent of the House for presentation for debate of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

ALLEGED LACK OF OBJECTIVITY TOWARDS SOCIAL CREDIT PARTY—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

In view of the fact that the Social Credit Party of Canada moved an opposition motion on Wednesday last, an allotted day, about an extremely important matter and that the media, especially the CBC, did not mention it; considering that yesterday the members of the Social Credit Party of Canada moved the adjournment of the House to protest strongly against such discrimination by the CBC, which did not even have the decency to mention the event on the news yesterday, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House direct the Secretary of State to assume his responsibilities and to see to it that this Crown corporation refrain from laughing at the elected representatives of the people by suppressing or failing to draw to the attention of the public the activities of the House, especially the days devoted to a particular motion.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

CONFEDERATION

SUGGESTED COMMITTEE STUDY OF ALLEGED ACTIONS OF GOVERNMENT WHICH HAVE ERODED TRADITIONAL THINGS OF OUR HERITAGE—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise under the provisions of Standing Order 43 on a question of urgent and pressing necessity in connection with the tinkering by this government with the things of our heritage by administrative action, as it has endeavoured in the last few years to change the statutory name of the national holiday on July 1 from Dominion Day to Canada Day, and the present anticipated change in the capital city of Canada, which would require an amendment of the British North America Act, which provides that Ottawa shall be the capital. Such actions constitute an affront to parliament and are a denial of the basic principles of the rule of law under the constitution. I would move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That a committee of both Houses be set up to look into and report on the step-by-step erosive action that is being taken, not by parliament but by the government of Canada, in the whittling away by surreptitious means the traditional things of the heritage of our country and to put a stop to it.

Some hon. Members: Hear, hear!

Mr. Speaker: Pursuant to the provisions of Standing Order 43, such motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

BILINGUALISM

MEASURES TO ENSURE PRESERVATION OF LANGUAGE RIGHTS OF QUEBEC INUIT—POSSIBILITY OF INQUIRY

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is to the Prime Minister and it arises from the profound concern that the Inuit of northern Quebec have about their right to use freely either official language—a right which is part and parcel of the James Bay Agreement which was passed only last month by this House. Despite extensive negotiation with the Quebec culture minister, Camille Laurin, the Inuit have failed to obtain the written guarantees of exemption from the provisions of Bill One, which I would respectfully suggest they have a right to expect. My question to the Prime Minister is this. Has he or any of his ministers contacted the Quebec ministers and spoken to them directly and frankly about this parliament's determination to ensure that the language rights of native people are preserved?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not taken any such step because it was my understanding that the Inuit had reached an agreement with the Quebec authorities. However, if that is not correct, I will of course consider whether further action should be taken.

Mr. Baker (Grenville-Carleton): My understanding is that there has not been that agreement. There has not been the written guarantee that they expected. I look forward to hearing from the Prime Minister with regard to his actions once he has checked that out. Yesterday the Prime Minister told us of a special bureaucracy that was set up to investigate the language rights of Francophone minorities outside of Quebec. Is it the intention of the government to establish a similar inquiry into the language rights of Inuit people in Quebec which this government has a special constitutional mandate to protect?

Mr. Trudeau: Mr. Speaker, I am afraid the hon. member misunderstood the nature of the question and the answer yesterday. I did not talk about a special bureaucracy to go out and do certain things. I said we had received a brief from a certain group such as we receive all the time from all kinds of groups across the country. We have them examined by the bureaucracy and we will do that in this particular case.

[Mr. Speaker.]

LEGAL OPINION ON IMPACT OF QUEBEC LANGUAGE CHARTER ON INUIT—REQUEST FOR REPORT

Mr. Walter Baker (Grenville-Carleton): Perhaps the Prime Minister will advise the House whether it is his intention to make a statement with regard to this very important matter once this examination has taken place. With regard to a statement or an indication given by the Minister of Indian Affairs and Northern Development that he would be able to give this House a legal opinion on the impact of the language bill in Quebec on native peoples, to the Prime Minister's knowledge, has the minister obtained this opinion? Will the Prime Minister now tell the House what this opinion is so that it may form part of the evidence to be presented to the legislative committee hearings on the bill about to begin in Quebec City?

Right Hon. P. E. Trudeau (Prime Minister): I will gladly inquire, Mr. Speaker, and make a report on it.

REASON FOR FAILURE TO STUDY RIGHTS OF ANGLOPHONES IN QUEBEC

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, yesterday in response to a question by the hon. member for Fundy-Royal the Prime Minister said that the interdepartmental study group had been set up to study the rights of multicultural groups, Indian native groups and Eskimo groups, in addition to studying the rights of Francophone minorities outside the province of Quebec. I was astonished that nowhere did he mention the Anglophone minority in Quebec. Will the Prime Minister advise why the government is not devoting resources to make a similar study of language and other rights of the one million plus Anglophones in Quebec and will he rectify this lapse immediately if in fact there has been such a lapse?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot understand why the opposition cannot comprehend my answers and what in fact went on.

An hon. Member: Because you are incomprehensible.

Mr. Trudeau: Perhaps I am incomprehensible. If the opposition will give me time, I will try to spell it out in very elementary language. The federal government receives voluminous briefs from numbers of people throughout the year. Sometimes they are from the Federation of Agriculture, sometimes from the Association of Mariners and other times they might be from the Board of Trade. This time it was from a group of Francophones outside Quebec. It is our duty to look into these representations and study these briefs. We did this once again on Tuesday. We said we received a brief and that we would look into it. That is what happened.

POSSIBILITY INTERDEPARTMENTAL COMMITTEE WILL STUDY BRIEFS FROM MINORITY GROUPS OTHER THAN FRANCOPHONES

Mr. Bill Jarvis (Perth-Wilmot): Yesterday in reply to the hon. member for Fundy-Royal the Prime Minister said that they, referring to the briefs, have all been dealt with in a

similar manner and parallel fashion. If a minority group submits a brief of this nature to the Prime Minister or any of his colleagues, is it a matter of government policy that such brief shall be referred to the special or ongoing interdepartmental committee to deal with it in a manner similar to that dealt with as a result of the brief from the Francophone group representing Canadians of French-speaking origin outside the province of Quebec?

● (1120)

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. This was a group set up to study this particular brief. If we receive another brief, from another group, we will see in what way it can best be studied. I gave the example yesterday of a very important representation which we received from the native people of Canada. In that case we did not name an interdepartmental committee of officials; we set up a particular group of ministers, and that ad hoc group of ministers, chaired by the Minister of National Health and Welfare, looked after the representations of the natives. If I get a brief from the Anglophones of Montreal, I will see how it can best be dealt with.

PROPOSED REFERENCE OF QUEBEC'S BILL ONE TO SUPREME COURT—NEGOTIATIONS WITH QUEBEC ON RIGHTS OF ANGLOPHONES

Mr. Bill Jarvis (Perth-Wilmot): I will move on to an allied subject. Will the Prime Minister assure the House that it is still his intention that the constitutionality of bill one be tested in the courts, and, in addition, will he tell the House why there are no ongoing negotiations with Quebec, so that the federal government may assist the provinces to protect the rights of the Francophone majority without infringing on the entrenched rights of the Anglophone minority and those English speaking Canadians who, at some future time, may wish to live, work and contribute to the prosperity of Quebec and of Canada as a whole?

Right Hon. P. E. Trudeau (Prime Minister): I would like to know what suggestion the hon. member is making. Is he suggesting that we should appear before a parliamentary committee in Quebec and make our views known there? I would suggest that perhaps the Tory party could send one of its eminent Quebecers to do this.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: You can send Goyer; he is your emissary.

ALLEGED FAILURE TO KEEP COMMITMENTS TO FRANCOPHONES LIVING OUTSIDE QUEBEC—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister on the same subject. In his answer today the Prime Minister has suggested that he has set up an interdepartmental committee to look into the proposals or suggestions that were presented by the Francophone community outside the province of Quebec. In a quotation of a statement attributed to him in the press on Wednesday of this week, he seems to have gone much further than he indicated here today. I quote from the press of Wednesday of this week where he says that the interdepartmental committee will "propose a series of actions", and, related to the Prime Minister's expressed concern for the problem of French Canadian rights outside the province of Quebec, "if we are not to have just French in Quebec and English elsewhere".

The point of these quotations is not to raise some spurious point about a contradiction here but to suggest that the Prime Minister has indicated that the government is prepared to come forward with some concrete proposals, some detailed plans of action. It seems to me that this general commitment would be taken more seriously had it not been for the complete reneging on two specific commitments made by the former secretary of state in a letter to this group dated March 30, 1976. Two very specific commitments were made, not one of which has been acted upon. I should like to ask the Prime Minister, first of all, why the commitment to set up a precise structure in the Department of the Secretary of State to deal exclusively with Francophone rights of the Francophone community outside the province of Quebec was not lived up to.

Right Hon. P. E. Trudeau (Prime Minister): I do not know in what form this commitment was made and in what way it was delivered. I will inquire.

Mr. Broadbent: Since the Prime Minister is not as familiar with that as I would have hoped, given the expressed concern which would generally exist, I will address my question to the Secretary of State. Could he tell us why the commitment, which was made in a letter dated March 30, 1976 to which I referred just now, was not lived up to, and, related to that, could he also tell the House why the commitment that was made to establish specific bilingual programs in each of the areas in Canada was not lived up to as well, when this commitment was made more than a year ago?

Hon. John Roberts (Secretary of State): The hon. gentleman is referring to a letter which was issued before I became Secretary of State.

An hon. Member: Oh, come on.

An hon. Member: Why don't you check with Goyer.

Mr. Roberts: Mr. Speaker, it may be that I missed the first part of the hon. member's reference to the letter. I am not exactly sure to what commitment he is referring. If the hon. member would bring the matter to my attention in the House again next week, I would try to reply in detail. If he could be more specific and give me a more exact description of what he is referring to, I might be able to reply at this moment, but I missed the hon. member's first reference to the letter, which obviously was not issued over my signature since I was not the Secretary of State at the time. I would be happy to try to reply in more detail if I could find out exactly to what the hon. member is referring.

Mr. Broadbent: Mr. Speaker, I will tell the minister that the Francophone community outside the province of Quebec is skeptical about the commitment. I will list the promises which were made in the letter dated March 30, 1976 by the minister's predecessor. The first was to establish a specific section within the minister's department to deal exclusively with Francophone rights and programs outside the province of Quebec. That promise has not been lived up to. The second promise was to establish a co-ordinator for bilingual programs in each of the areas involved outside Quebec. That, too, has not been lived up to. The third concern which the community now has is that the allocation of some $5 million in the government's estimates for programs in this area outside the province of Quebec, normally allocated by the first of April, has not yet been made, some two months later, and in spite of the fact the present minister has received two telegrams requesting the date for the allocation of the funds so that the Francophone groups outside the province of Quebec could do something, no response has yet been received by the minister. Could he tell us why?

Mr. Trudeau: Mr. Speaker, there was no mention of these subjects at the meeting I had the other day with the Secretary of State and this particular group. I do not know if the group is now trying to make representations through the Leader of the New Democratic Party or if the hon. member is just being mischievous, but I assure him that there was no reference to this in our exchange the other day. The group asked us to do certain things, and we said that we would do those things. Perhaps the group is now asking for something else, in which case we will consider what it is asking for.

* * *

[*Translation*]

AIRPORTS

REQUEST FOR REPORT ON NEGOTIATIONS WITH QUEBEC FOR IMPROVEMENT OF FACILITIES AT MONTMAGNY

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is for the Minister of Transport.

A few weeks ago, I asked the minister whether his officials or himself had had discussions with the Quebec transport minister concerning improvements to be made to the Montmagny municipal airport. The minister replied then that he would examine the matter and advise the House shortly. Is he in a position today to advise the House whether he has indeed had discussions with Quebec officials and whether they have reached together a decision which would benefit the region?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have not had a report on the nature of the discussions between officials of my department and the ministry of transport of the province of Quebec, and I do not therefore know whether that item was reached on the agenda. However, I will check into that and let the hon. member know.

[Mr. Roberts.]

TRANSPORT

REQUEST FOR REPORT ON SINKING OF "WILLIAM CARSON" AND REVIEW OF RECOMMENDATIONS FOR IMPROVEMENT OF SEARCH AND RESCUE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Transport. Is the minister in a position to give the House details of the sinking of the *William Carson*? Evidence indicates that the ship went down under near perfect weather conditions and with near perfect night time visibility. The vessel was equipped with all the latest navigational sonar and radar equipment. Is the minister now in a position to give the House details on this near tragedy?

Hon. Otto E. Lang (Minister of Transport): No, Mr. Speaker. We are investigating the matter, and presumably there will be answers to these questions. I am happy to say that the accident occurred without any loss of life, and at the present time we are dealing with the problem of getting the passengers to their destination as quickly as possible. Of course, the investigation will go on.

Mr. McGrath: Mr. Speaker, I presume that there will be an inquiry, and I do not want to pre-judge that inquiry. Before the inquiry is established, however, would the minister personally look into the recommendations on the last sinking that took place off the coast of Newfoundland in 1970 when the SS *Patrick Morris* sank? A judicial inquiry at that time made three specific recommendations—better dispersal of search and rescue aircraft to shorten the reaction time, a review of reaction and search and rescue procedures and an increase in the number of personnel. Would the minister review the report and see if these recommendations were carried out?

● (1130)

Mr. Lang: Mr. Speaker, I will be glad to review the report but of course as hon. members know, major improvements have been made to the search and rescue capability in that area. The search and rescue facilities played a very important part in handling this particular situation.

* * *

NATIONAL DEFENCE

REASON FOR DELAY IN DISPATCHING HELICOPTERS TO SINKING "WILLIAM CARSON"

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I put a supplementary question to the Minister of National Defence. Can the minister explain to the House why it took three hours for the National Defence search and rescue helicopters based in Gander to be dispatched to the scene? The search and rescue request went from St. John's to Gander at 9.10 p.m. The helicopters did not leave Gander until midnight and they arrived over the site at 2 a.m. This meant that a number of the survivors from the ship which sank at 10 p.m. were on the ice that length of time and could have lost their lives.

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, the reaction time was less than was expected for the helicopters to get on the scene. There were not only two Labrador helicopters from Gander but an Argus and a Buffalo aircraft from Summerside, all of which arrived about the same time, plus the helicopter from the Canadian coast guard ship *Sir Humphrey Gilbert*. There were also six Sea Kings alerted from Summerside, two of which had reached Gander and there was a further Hercules on alert.

The reaction was very fast, taking the flying time into consideration. Forty-two people were evacuated by armed forces helicopters and 80 by the Canadian coast guard helicopter onto the coast guard ship. The whole operation moved very smoothly and was a classic example of cooperation between the various departments, particularly the Department of Transport and the Department of National Defence. I think great credit goes to the skipper, Captain Hinks of the *William Carson* who handled the situation with calmness and maintained calmness on board. All the rescue gear was in working order and the ship rescue team operated with a high degree of efficiency.

* * *

TRANSPORT

EFFORTS TO FIND REPLACEMENT FOR "WILLIAM CARSON"

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I should like to put a question to the Minister of Transport with regard to the sinking of the *William Carson* off Battle Harbour last night. First of all, however, I should like to ask the minister to convey to the coast guard and through the Minister of National Defence to the Canadian armed forces, our congratulations and thanks on the very effective way in which the rescue was carried out last night.

Some hon. Members: Hear, hear!

Mr. Rompkey: All the reports reaching me from my riding indicate that a very effective job was done. I want to ask the Minister of Transport, because this is a vital link between Newfoundland and Labrador, what initiatives he is prepared to take to replace that vessel. There are people in Goose Bay waiting to get out to the island and other parts of Canada for various reasons. This vital link needs to be replaced right away and I ask the minister what initiatives he is prepared to take to find a replacement for the *William Carson* as soon as possible?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I very much appreciate the compliments from the hon. member and I shall certainly pass them on to the people who deserve them. We have been in touch with CN Marine and they are looking at the question of how fast alternative service can be made available by replacing the *William Carson.*

Oral Questions

ANTI-INFLATION PROGRAM

DATE ON WHICH AGREEMENT ON RESTRAINT EXPECTED PRIOR TO ENDING CONTROLS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have a question for the Prime Minister. Further to the Prime Minister's answer yesterday dealing with the binding agreement that he anticipates among the economic decision-makers in the country for voluntary restraint, which appears to be a contradiction in terms, would he indicate if he has set some deadline, at least in his own mind, for when this agreement is to be entered into bearing in mind that the Minister of Finance indicated that within two months he intends to announce a date to commence decontrols?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I indicated to the hon. member that the understanding we are looking for should be as binding as possible. I used those words precisely because there was the possibility of contradiction in the hon. member's understanding of it. Obviously that understanding or agreement would have to be reached before we remove controls.

GOVERNMENT POSITION ON ENDING CONTROLS IF AGREEMENT ON RESTRAINT NOT OBTAINED

Mr. Sinclair Stevens (York-Simcoe): A supplementary question, Mr. Speaker. In view of the statements of the Minister of Finance on several occasions, including the statement before the Standing Committee on Finance, Trade and Economic Affairs, that he will announce a date when the decontrols phase will begin, would the Prime Minister indicate if he has not obtained a sufficiently binding agreement, as he calls it, with respect to these decision-makers, then am I correct in assuming that the decontrol date will not be announced as the Minister of Finance has indicated?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, my recollection of the position of the Minister of Finance is that, as he said in the budget, the date would not be before October 14 unless certain agreements were reached. That is still the mandate under which we are working.

CONFIRMATION OF MINISTER'S STATEMENT ON DATE OF ANNOUNCEMENT OF DECONTROL PERIOD

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have a supplementary question to the Minister of Finance. Would the minister care to confirm the statement he made to the Standing Committee on Finance, Trade and Economic Affairs that he would announce the decontrol date before the end of July?

Hon. Donald S. Macdonald (Minister of Finance): Yes, Mr. Speaker, we expect to make that announcement in mid-summer.

Oral Questions

DOMINION DAY

AUTHORITY FOR CHANGING NAME TO "CANADA DAY"

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State. I am very glad that a celebration has been put on for Dominion Day again, something that was inaugurated under my administration but was subsequently discontinued. I would ask the minister on what authority he has sent out notices advertising the fact that on July 1—on "Canada Day" to use the expression he uses—on what authority does he purport to act in changing the statutory name to Canada Day?

Hon. John Roberts (Secretary of State): First of all I should like to say how much pleasure it gives me to carry on the good work begun by the former Prime Minister and to expand and develop it to an even greater degree. There has been no indication on my part that I have unilaterally in any way changed the name of Dominion Day. There is of course legislation before the House to change the name to Canada Day. My view is, quite simply, that what we are doing is celebrating the birthday of my country; my country is Canada; I love it very much and that is the name that I intend to use.

Mr. Diefenbaker: Mr. Speaker, I ask the custodian of our heritage, the Secretary of State—because that is actually what he is—what right he had to bring about a change? Administrative lawlessness is the only fitting description of it. I do not ask what his personal opinion is. Was this a Cabinet decision and if so what business does the government of Canada have to make a change contrary to statute?

Mr. Roberts: Mr. Speaker, I would assure the right hon. gentleman that he could not find a person less lawless than myself. Perhaps he will be satisfied if I tell him that this year we are celebrating Canada Day on the same day as Dominion Day.

Some hon. Members: Hear, hear!

* * *

ENERGY

SOURCE OF RADON GAS IN HASTINGS COUNTY—GOVERNMENT ACTION

Mr. J. R. Ellis (Hastings): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. An investigative group sponsored by his department has been looking into the effects of radon gas in the north part of Hastings County. They recently discovered alarming quantities of radon gas in the Farraday township area. Can the minister say what the source of that radon gas is and what has been done to overcome the problem?

● (1140)

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the survey work to which the hon. member referred is being conducted by the federal-provincial task force formed to identify areas of unacceptably high radioactivity across the country, particularly those affecting work places and places where people live. The survey has already covered about 776 houses in the environs of the town of Bancroft. I think by the end of this month we will have covered about 2,000 homes. So far, only four homes have been identified as having unacceptably high levels of radiation; clearly, ventilation will be necessary, and the owners have been so instructed. A number of other homes will need to be examined again. I am told that the source of radioactivity is old mine tailings, mine waste, used for fill or building purposes in connection with these houses.

[Mr. Macdonald (Rosedale).]

RADIATION LEVELS IN HASTINGS COUNTY—SAFETY OF PRACTICES OF MADAWASKA MINES

Mr. J. R. Ellis (Hastings): A supplementary question, Mr. Speaker. I understand that radiation levels are unacceptable in 100-odd houses. Since these radiation levels have been discovered in the area of the Madawaska mines, can the minister say if that mine's mining practices in the uranium belt are safe, and are the miners safe in their work?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I am told by the Atomic Energy Control Board that at present there is no safety hazard or health hazard. As I said in my first answer, we shall need to examine again a number of houses in which the radiation level was approaching unacceptable levels. Perhaps the hon. member was speaking of those when he mentioned the 100-odd houses. Those 100-odd will be examined again. I emphasize again that, as I am told, there is no health hazard at present.

* * *

AIR TRANSPORT

INCREASED RATES ON FREIGHT TO THE ARCTIC—REQUEST FOR SUBSIDIES ON ESSENTIAL GOODS

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my question is for the Minister of Transport. Is the minister aware that the only air carrier from Frobisher Bay to six communities on Baffin Island has raised its freight rates by about 50 per cent, so that a dozen eggs now cost about $4.30 in Clyde River, of which $3 would represent transport cost. Is the minister's department considering action on this rate increase?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the question had not been brought to my attention.

Mr. Firth: A supplementary question, Mr. Speaker. Would the minister consider introducing a general policy of freight subsidies on essential goods such as milk, bread and produce, which must now be flown to certain parts of the Arctic?

Mr. Lang: Mr. Speaker, I am always happy to consider such representations as we look at ways to assist remote and developmental areas.

ANTI-INFLATION PROGRAM

INQUIRY WHETHER CONTROLS WOULD END IF NO AGREEMENT REACHED ON RESTRAINT

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, my question to the Minister of Finance concerns the green paper on decontrols. I bear in mind that the green paper discusses three possible methods. The first method, relating to immediate decontrol, refers specifically to the need for voluntary restraint and firm arrangements concerning voluntary restraint. If it does anything, the green paper indicates a clear preference for the third method, which could fix a specified future date for decontrols to commence, but does not mention any agreement relating to voluntary restraint. Are we to assume, for example from what the Prime Minister said, that method three implies the requirement of firm agreement on voluntary restraint and that there would be no commencement under method three, as envisaged in the green paper, without such a firm agreement. Are we to read that into the comments made respecting method three as set out in the green paper?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the whole essence of the green paper is to secure an undertaking from major economic decision-makers in Canada not to engage in conduct which would be the opposite of restraint and start again the inflationary spiral. It can be assumed that that kind of undertaking is essential, no matter what method is used. The principal question the government must decide is, can one accept the analysis of the Canadian Labour Congress and a number of business leaders that there will not be a fresh outburst of inflation if controls are ended immediately, or should we proceed step by step to implement decontrol, preferably by using method three. In that sense, to go back to the specific question, undertakings with regard to restraint, the importance of restraint and the perception by the major decision makers of that importance are essential to whatever method is chosen.

Mr. Stanfield: A supplementary question, Mr. Speaker. In order to be absolutely clear, I ask this: is it the government's present policy or intention not to commence decontrol under any of those methods unless and until there is a firm agreement, or a firm undertaking of the strongest possible sort, on the part of principal decision-makers of this country to exercise restraint?

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps at some point the Canadian Labour Congress or business leaders will say they do not feel they are in the position to give undertakings, but the country and the government will still be faced with the importance of phasing out controls. Obviously, with the support of those groups it would be easier to take controls off earlier. But if they cannot agree on the question of restraint, the government in the absence of their agreement would have to act on its own.

Mr. Stanfield: A final supplementary question, Mr. Speaker. In other words, in the language of Mackenzie King, the government's position is this: a firm agreement possibly, but not necessarily?

Mr. Macdonald (Rosedale): Mr. Speaker, it certainly would be desirable.

Mr. Stanfield: That is no policy; that is a charade, a put-on.

Mr. Stevens: That's nothing but fluff.

* * *

[*Translation*]

AGRICULTURE

REQUEST FOR DETAILS ON ADMINISTRATION AND DISTRIBUTION OF MILK QUOTAS

Mr. Claude Tessier (Compton): Mr. Speaker, my question is for the Minister of Agriculture.

In spite of the fact that the administration and distribution of dairy quotas are not a responsibility of the federal government but of provincial agencies, if not of the producers themselves, with the dire consequences that this implies for the producers and the dairy policy itself, could the minister advise the House of the quotas which have become available since the beginning of the year? How were they made available? Under what conditions will they be returned to the producers? And will all producers have equal chances to recuperate the quotas of which they were deprived by their own agencies at the time of the 1976-77 readjustment?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Canadian Dairy Commission establishes a national quota for milk, allocated on the historical levels of production within each province, where there are dairy producers in that province. The Canadian Dairy Commission, for whom I answer in this House, does not administer direct quotas for the producers. Last year, when we increased quotas for the national production level by 4 million hundredweight, we tied certain conditions to that increase, saying it had to go to those people in greatest need. If the hon. member has concrete evidence to show that some producers are not being treated properly, we can make representation to the provincial marketing board. But we cannot make any specific suggestions, because this matter is totally under their jurisdiction.

* * *

AIR CANADA

REQUEST MINISTER REMIND COMPANY OF LABOUR CODE PROVISIONS ON MATERNITY LEAVE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my question, is for the Minister of Transport. I gave him notice of it so that parliament can have a definitive answer. Will the minister remind Air Canada of the provisions of the Canada Labour Code relative to maternity leave, so that when the Canadian Airline Flight Attendants Association engages

in collective bargaining with the corporation, the code will prevail?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I do not imagine Air Canada needs to be reminded of the existence of the code. Negotiations on this question are underway at this time and I do not want to comment on their progress. I appreciate the hon. member's having given me notice of his question.

Mr. Fairweather: A supplementary question, Mr. Speaker. Perhaps the minister might consider this in the next few days: The provisions Air Canada is suggesting to the Airline Flight Attendants Association are quite unacceptable. They are much more regressive than the 1973 contract provisions. Although Air Canada may be up-to-date with air equipment procurement, its medical advice, if it has any, is of a different age and of a different century. Perhaps the minister would remind Air Canada of this.

● (1150)

Mr. Lang: Again, I would be delighted to join the hon. member in analysing this question in detail in a fair and positive way but I do feel the inhibition of not wishing to comment while these negotiations are in progress.

* * *

ENERGY

HEAVY OIL—REQUEST FOR REPORT ON PROPOSAL TO ESTABLISH FACILITIES AT LLOYDMINSTER

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. It arises out of the decision of the National Energy Board to exempt heavy oil from the export licensing provisions, a move which I am sure is welcomed by the industry and will contribute to its stability. Since the National Energy Board also appears to be in support of the establishment of heavy crude upgrading facilities, may I ask the minister whether he has anything further to report with respect to the setting up of the 100,000 barrels-a-day project which is to be located in the Lloydminster region?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): As recently as yesterday I was talking to representatives of the industry with respect to the upgrading possibilities. I am told this project is being given a high priority by industrial interests including Petro-Canada. There is also considerable interest being shown on the part of the government of Venezuela in joining with Petro-Canada in the formation of a research project. Petro-Canada will be allocating $5 million to such a scheme and I believe the Venezuelans will be allocating a similar amount of money. Both countries are faced with a very similar situation. Each is running out of conventional supplies of crude and each has very substantial reserves of heavy oil. We are moving forward in a positive way. This is an important resource and I hope that in a very short time following agreement between ourselves and the government of Alberta it will be possible to announce something more specific.

* * *

CONNAUGHT LABORATORIES

EFFECT ON COMPANY OF REMOVAL OF BLOOD FRACTIONATION WORK

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of what now appears to be a positive decision by the minister to approve the application by the Red Cross to build a blood fractionation plant and since this work is now being done by Connaught Laboratories which is owned by the Canadian Development Corporation—one of whose policies is that the business ventures in which it is involved must show a profit—and in view of the fact that the removal of the blood fractionation work from Connaught Laboratories will place that undertaking in a much less profitable position, even endangering its existence, would the minister explain what he envisages the plant would be for if this particular work were taken away from Connaught?

Hon. Marc Lalonde (Minister of National Health and Welfare): The hon. member has reached a conclusion which has not yet been decided either by Connaught or by the Red Cross or by my department or by provincial departments. As I have told the hon. member before, this matter is being studied by both Connaught and the Red Cross and it is being discussed at the political level. It was one of the subjects discussed by deputy ministers recently and it will be raised again, I think, at the next ministers conference at the end of June. But there is still a lot of work to be done and I doubt that a decision will be reached in June. Several months of discussion and examination of this subject will probably still be required and no conclusion has yet been reached that either Connaught or the Red Cross would exclusively specialize in this area.

Mr. Yewchuk: Can the minister give the House a categorical assurance that no action will be taken by him or by anybody in his department which will endanger the continuation of the functions of the Connaught Laboratories in Toronto and which would result in the removal of the biologics industry to the city of Montreal?

Mr. Lalonde: The only assurance I can give the hon. member is that no decision will be reached until full consultations have taken place with all involved parties, and this includes the provinces. I can assure the hon. member that no decision has been reached up to this point. When a decision is taken it will, in the end, be a decision reached either by the Red Cross itself or by Connaught itself. The only other element involved would be the question of the contribution or role or intervention of the provinces and the federal government in terms of supply and support if any is required. But that position has not yet been reached by anyone.

Mr. Yewchuk: Is the minister telling the House, then, that the decision will, in part, be made by Connaught as to whether the Red Cross application will be approved or not?

Mr. Lalonde: Well, the Red Cross can decide some things and Connaught can decide some things. These are two agencies which are autonomous and can make their own decisions. Obviously, though, if those decisions imply support or contributions or co-operation with governments, provincial or federal, each agency will have to make up its own mind, taking into account the good relations it can have with the governments concerned.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF AIDING IN IMPROVEMENT OF ROUTE 117—NEGOTIATIONS WITH QUEBEC

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I wish to ask a question of the Minister of Regional Economic Expansion.

Further to the question I put to him a few weeks ago to know whether his department intends to grant financial assistance for the improvement of Route 117, could the minister tell the House whether other meetings took place between the Quebec ministry of development and his department and, if so, whether it will take part in the improvement of this highway for which the users have been waiting so long?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I wish to say to the hon. member and to the House that I indeed met some time ago with the Hon. Jacques Léonard and we discussed the propositions which were under study at that time, including the matter of the improvement of Route 117 in northwest Quebec. The decisions that we will take or which we have already taken will be made public in due time.

* * *

[*English*]

TRANSPORT

SUGGESTION THOMPSON COMMISSION STUDY EFFECT OF OIL TANKER TRAFFIC THROUGH STRAITS OF GEORGIA AND JUAN DE FUCA

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Minister of Transport. In the light of the fact that Dr. Thompson is anxious to continue hearings in connection with the threat of maritime oil pollution, and in view of the answer given by the minister yesterday to the hon. member for Perth-Wilmot, would the minister give the House a commitment that the Thompson hearings will continue, especially since the information gained from them would be very useful in the negotiations with the United States?

Hon. Otto E. Lang (Minister of Transport): I have begun conversations with my colleague, the Minister of the Environment, on this issue. We shall be discussing the matter further and, no doubt, talking with Dr. Thompson as well about the most effective way to deal with the challenges which may emerge from the new circumstances in relation to tankers.

Mr. Friesen: Would the minister consider shifting the emphasis of the hearings to the lower mainland of British Columbia and Vancouver Island, bearing in mind that part of the corporate strategy might be to use the increased public outcry in the lower mainland as a means of making the Kitimat proposal look more attractive?

Mr. Lang: We shall have to look at the whole question, including the aspects relating to the United States section of any proposal. This is why we shall want to consider the matter rather thoroughly before any action is taken.

* * *

EXTERNAL AFFAIRS

EFFECT OF ALLEGED FAILURE OF OIL PRODUCING NATIONS TO AGREE ON NORTH-SOUTH CONFERENCE

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Recognizing the important statement the hon. gentleman made on behalf of Canada, and awaiting the return of the President of the Privy Council, who, I hope, will make a statement on motions at an early opportunity, perhaps the minister could clear up one or two points. Could he tell the House whether the failure of the oil producing nations to agree to an on going energy dialogue with the industrialized nations was in fact responsible for the low level of the offer by the industrialized nations on debt management and the common fund, the key issues at the conference, which in turn led to such a disappointing conclusion?

● (1200)

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think the President of the Privy Council or Secretary of State for External Affairs would be in a better position to answer the hon. member's question next week. I had to leave before the conference finally wound up, and I am not clear as to the precise problem which developed with respect to the oil consultation proposal. I very much regret that it was not possible for the conference to agree on such a proposal.

I should like also to take this opportunity of saying that I think Canada's position and Canada's offer were very well received by the group of 19, by the ldc's and by the OPEC nations, and in particular Canada's very forthcoming offer to write off something in the order of $250 million of debt.

Oral Questions

FINANCE

GOVERNMENT ACTION TO PROTECT ELECTRONICS INDUSTRY

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, in view of the continuing absence of the Minister of Industry, Trade and Commerce, perhaps I could pose my question concerning the state of the home electronics industry in Canada to the Minister of Finance. In light of the fact that the 1976 annual report of Electrohome, Limited showed that the company sustained an $8 million loss in 1976 and is in default under the terms of a debenture agreement, and in light of the fact that the number of production employees has declined from 1,200 in 1974 to 150 at the present time, what action, if any, does the government intend to take to stem the decline of Canada's home entertainment industry; and specifically may I ask the minister whether the statement by his parliamentary secretary on May 18 that "if they will make television sets for low prices in Asian countries, why cannot we have the benefit of those television sets provided we can get something in return, provided Canadians can find jobs worth $6, $7 and $8 an hour" means that the government has given up on maintaining a Canadian home electronics industry?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I think the statement of the parliamentary secretary puts very aptly the challenge which not only the television receiver assembly industry but many other secondary manufacturing industries face in Canada. Indeed, it is because of competition from exterior sources that we have been so concerned about maintaining restraint on the increase in industrial costs in Canada. I know that the Minister of Industry, Trade and Commerce has been in close touch with the situation facing this particular industry. It does represent an area where there is very substantial foreign competition even at the levels of protection which exist at this time.

One remedy that has been suggested is further tariff protection, which I think has to be balanced against some of the objectives which we have for expanding Canadian export opportunities abroad. Having said that, I think the question might be better addressed to the Minister of Industry, Trade and Commerce who has been in specific contact with the situation.

Mr. Beatty: Mr. Speaker, may I just ask a supplementary question having to do with the specific company and the serious loss of jobs there, which are expected to decline by another third this summer. Are there any short-term actions which are going to be taken by the government in regard to the television industry in Canada, which is located largely within Electrohome, Limited? To the best of my knowledge there is no other company in Canada producing television sets. Does the government intend to take any specific action in the short term to save jobs in this industry?

Mr. Macdonald (Rosedale): Mr. Speaker, I would not want to anticipate what the Minister of Industry, Trade and Commerce might want to say.

[Mr. Gillespie.]

ENVIRONMENTAL AFFAIRS

DECISION OF GOVERNOR OF WASHINGTON TO FLOOD SKAGIT VALLEY—GOVERNMENT ACTION TO OPPOSE

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of the Environment. It concerns the decision of the governor of the state of Washington last week to reverse the position of that state on the flooding of the Skagit valley in British Columbia. Can the minister advise whether there have been discussions between him and his counterparts in the United States or between the Prime Minister and the President concerning Canada's continuing opposition to the flooding of the Skagit valley? The House has gone on record as unanimously opposing that. The government has taken the position of opposing it. In view of the recent decision by the governor of Washington state, what action has the government taken in terms of stopping the flooding of this valley?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I would have to ask for the record to be checked; I have been away from Ottawa for a few days travelling in the prairie provinces. However, if my memory is correct—I could be wrong on this—I would underline to the hon. member that the agreement between the previous government—that is, the government of British Columbia twice removed—and the city of Seattle seems to create some legal obligations which I have asked my officials to check. Until I get information on this matter I am afraid I cannot be much more forthcoming. Certainly, I do not look upon the flooding of any valley as being desirable.

Mr. Speaker: Order, please. Two days ago there was an indication of some difficulty with respect to distribution. A question was raised concerning receipt of a press release issued by the Minister of Indian Affairs and Northern Development (Mr. Allmand) and a subsequent indication by his parliamentary secretary that there must have been some difficulty in distribution. I undertook to look into the matter on behalf of hon. members and to indicate to the House what had appeared to take place from the point of view of our administrative responsibilities.

My information is that there was, as the parliamentary secretary indicated, some telephone contact with the postal services prior to the actual delivery. Our information is that that telephone contact was about ten minutes past 12 and that at about 25 minutes past 12 the material was delivered to the post office, and that during the following two hours the material was distributed to the post boxes. That is a little longer than it usually takes, which I think is explained by the fact that the distribution had to be made while part of the staff was on lunch hour. Those were the circumstances, but even so distribution was not very far from the normal arrangements for distributing material of this sort in the way it was asked to be distributed.

Members may also have noted yesterday and today some delay and one or two technical problems in regard to *Hansard*. There has been a difficulty with the computerized operation of

the *Hansard* services. The difficulty has been located and we are attempting to remedy it, but I have to ask the indulgence of hon. members in bearing with us in yesterday's and today's late delivery of *Hansard*. We are checking especially carefully for any technical errors. We have spotted one or two and are correcting them as quickly as possible.

ROUTINE PROCEEDINGS

[*English*]

ANTI-INFLATION ACT

REFERENCE TO ADMINISTRATOR BY CARTAGE COMPANIES WHICH BARGAIN THROUGH TRANSPORT LABOUR RELATIONS

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to table a reference to the Administrator under the Anti-Inflation Act of a collective agreement made by 97 member cartage companies who bargain in association through Transport Labour Relations.

* * *

DOMINION DAY

ANNOUNCEMENT OF CELEBRATIONS

Hon. John Roberts (Secretary of State): Mr. Speaker, in April the Prime Minister (Mr. Trudeau) announced the government's intention to co-ordinate appropriate and festive activities to celebrate and honour Canada's federal national holiday on July 1. The decision was prompted by the growing number of expressions of national unity from groups and associations across the country and the recognition of the impressive number of July 1 projects and activities being initiated by communities across Canada.

[*Translation*]

We all remember that in 1967, millions of Canadians joined together to reaffirm their pride in their country. Since that time, the federal government's July 1st program has been centered in Ottawa with regional activities being left to the initiative of local groups and municipalities. I want to ensure that the momentum which began in 1967 is revived and maintained in future years. We hope to provide a permanent framework for a well-structured, decentralized national program within which groups and individuals across Canada may express, in their own way, their pride and belief in Canada.

[*English*]

To date over 1,000 communities have begun preparations for activities which will reflect their recognition and pride in Canada. A national community program is providing all the planning assistance possible to these communities through consultation, promotional support and co-ordination. With the government's co-operation, each activity will be the community's expression of national pride. Viewed together, these initiatives will express the diversity that makes Canada so unique.

• (1210)

We are working in close co-operation with the Council of Canadian Unity, a national association which has organized Canada Week since 1969. When Canada Week was launched in 1969, some 50 Canadian communities participated. So far this year, 1,000 communities have initiated their own special projects.

We have also asked the private sector to participate in this national effort. The response to that has been enthusiastic. Several major companies have come forward with offers to help promote the July 1 celebrations across Canada, and the Canadian Chamber of Commerce has made available its regional offices to assist in the co-ordination of the activities being undertaken.

We have also established two specific programs to support our national effort.

[*Translation*]

A major campaign will be launched over Canadian radio and television expressing the government's conviction that Canada Day is a day for celebration and pride. The theme of the English campaign is "Canada, I want to shake your hand" and the French theme is "Le Canada, un beau pays, un pays libre". The two themes are appropriate ways of reaffirming the country's size, beauty, and the freedom which Canada allows for self-expression, growth, and diversity.

[*English*]

We will also assist Canadian celebrities to travel throughout the country with their families to participate in regional events and meet as many community residents as possible. Many well-known Canadians have expressed an interest in participating in this program. Within a few days I should be able to announce a list of their names.

[*Translation*]

On July 1, the CBC will carry a three hour special television spectacular, in English and French, featuring local and national celebrities in a national view of the Canadian Mosaic. Private network tie-ins will expand the viewing audience to an estimated 6 million people.

[*English*]

While we are placing our major emphasis on our national celebration from coast to coast, Ottawa will be the site of a special day of festivities, including a parade of original floats depicting Canada's history and diversity. The trooping of colours will be presented the morning of July 1, and beginning at 1 p.m. Ottawa will celebrate the Great Canadian Birthday Party, a giant five-hour festival of folk dancing, music, sports, children's activities and contests. The Great Canadian Birthday Party is being organized by a volunteer citizen's committee with our support and assistance. I know members of parliament from the Ottawa area are vitally interested in it.

The climax to the Ottawa festivities will be a three-hour spectacular on Parliament Hill featuring English and French

performers and celebrities from across the country. In keeping with the objective to decentralize the Canada Day celebration, live performances from across the country will be included by satellite in the CBC's three-hour special. The Ottawa Spectacular will be tied in to the CBC television program so that Canadians across the country will be able to enjoy it. A giant fireworks display will follow the Parliament Hill program, bringing to an end what promises to be a most exciting celebration of Canada's federal national holiday.

Some hon. Members: Hear, hear!

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, members of my party are happy to celebrate the anniversary on July 1. I am anxious to respond without a series of platitudes because these festive occasions bring on the worst in public speaking. I am not accusing the minister. As a matter of fact, I thought his statement was rather happily spared in this regard. I am anxious to avoid the platitudes, the hucksterism and the boosterism. What we want is a happy birthday shared by as many Canadians as possible. I have to be thankful for what we have in our common citizenship.

I do not think we should be disturbed about the preoccupation of the right hon. member for Prince Albert (Mr. Diefenbaker) concerning the heritage aspects of what others have struggled to give us to celebrate. The technology of television will mean Canadians will celebrate in their own way. The smaller places in Canada to which the minister referred will be drawn together because of the focal point of the nation's capital. I am anxious to see whether the partnership of Radio Canada and the CBC will work out arrangements to celebrate this day together. It would be an interesting test if all Canadians could see the same things on July 1.

I do not know what it is about the English Canadian psyche which makes them rather reluctant to get emotional about celebrating patriotic events. I am sure it is part of our psyche. Every once in a while we surprise ourselves. We did on July 1, 1967. Suddenly, English Canadians found they were able to be moved by exemplifications of our nation and found themselves caught up on Parliament Hill in what was a very moving and emotional experience. It was an experience which I will never forget because it was a family day. I hope family days will prevail across the country.

A wise Canadian of international recognition from Toronto, Northrop Frye, told us about this endless search in which Canadians are engaged. Occasionally we seem to have the elusive thing we seek. I must agree with what Northrop Frye said, that if we stop the search and look around, we will find the Canada we have. I hope that will be part of our celebration.

Perhaps I will be categorized as being unspirited and Scrooge-like. I do not intend that at all. I hope the birthday will be a tremendous success. We have to face the fact that half the people who have not worked on this July 1 celebration are the young. This is not the time to mention what we are going to do about this. It will be a concern of every one of us as we set off the fireworks and troop the colours. We have to remember that too many young Canadians may be wondering what it is they have to celebrate.

I am looking at an hon. friend across the floor, who will remain unidentified. As Canadians celebrate their birthday, they might recall that years ago it was Her Majesty the Queen who commented upon patriotism in Quebec. I may be considered inelegant because I am going to attempt to paraphrase what the Queen said, which is probably inappropriate. In Quebec, the Queen said that patriotism may take on different dimensions and we should not be surprised if everyone does not have a common expression of patriotism. I thought that was a wise observation. People make lists about the way other people celebrate their citizenship. We do not need any lists, and we do not need any Brownie points for our mutual feeling in regard to our country. It is divisive if we watch others celebrating our national holiday.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on behalf of the New Democratic Party I should like to express our appreciation of the efforts which are being made for a great celebration on our one hundred and tenth birthday on July 1. It is true that there are times when celebrations and ceremonies can be so much window-dressing. There are times when patriotism is known to be a refuge for certain kinds of persons. However, it is also true that there are occasions when celebrations, ceremonies and expressions of patriotism do something for people such as those who comprise this country.

• (1220)

There is no question but that the efforts that were put into celebrating our centennial ten years ago gave us a lift. Sometimes we are a little unhappy that that experience seemed to die down a bit. Now that we are at the point of celebrating 110 years in the life of this country, I think it is worth while that it be done in the thorough way that has been announced by the Secretary of State (Mr. Roberts).

I am sure that we all approve of the two-faceted approach, namely, that celebrations are to take place all over the country in hundreds of different communities, and also that there will be a main, outstanding celebration here in the nation's capital. I note that the Secretary of State indicated certain plans for the celebrations on that day. I particularly support the suggestion of the hon. member for Fundy-Royal (Mr. Fairweather) that an effort be made to see that it is a family day. Not only are we a Canadian family, but we are made up of our own families.

It is appropriate that the performers who take part that day in the main represent the two principal groups in this country, French-speaking and English-speaking. However, I would like to suggest, if it is not too late, that the program might also include performers who represent other groups in this country. There are millions of Canadians who are neither French-speaking nor English-speaking in their origin. They should be represented as well, and let us also remember the natives who are descended from those who were here before any of us came. It strikes me it would be a more Canadian program if this mosaic approach were included in that ceremony. I am

delighted to see the Secretary of State nodding his head vertically as I make that suggestion.

One other question does get mention from time to time in this connection. I note what the hon. member for Fundy-Royal said about it. May I say in passing that the issue that arises when we seem to be going to celebrate Canada Day and Dominion Day on the same day could be resolved very easily if the government would just call Bill C-30. That bill provides for the establishment of Heritage Day. It also provides for changing the name of July 1 officially from Dominion Day to Canada Day. Two or three members of the Progressive Conservative party have presented their own bills calling for that change. There is a good deal of support for the idea around this House. Surely in the days between now and July 1 that problem could be solved in that way.

Like the hon. member for Fundy-Royal, I feel this is a celebration which should be enjoyed for its own sake. We should be grateful for the things that are part of our heritage. However, I cannot help but feel that a way to make Canadians even more proud to be part of this country is to put much more effort into solving some of the problems that face us at this time.

The previous speaker referred to the unemployed in our midst, particularly the large number of young people who are unemployed and who will have some doubts about their appreciation of their heritage. A way to make sure that Canadians will forever be proud to be Canadians and want to celebrate our birthdays year after year is to deal with problems like unemployment, urban renewal, regional disparities, housing and all those things that are realities in our life.

For the older people there is the whole question of improving the security that we provide for them, as well as providing those who are working with a guarantee that as they get older their security will be enhanced. Obviously, when I get into these few headings I could make full-dress speech on the things that are of concern to me. However, I am satisfied just to mention them at this time. I am glad to see the Secretary of State nodding his head up and down. I trust this means he agrees that the best way to make sure we will celebrate our birthdays with enthusiasm, not just with palaver and ceremony, is by making Canada the kind of place in which we are not only proud to live but in which there is security and freedom as well as the opportunity for fulfilment for all our people.

We are happy to join with other members of the House in expressing our appreciation of the efforts being made to provide a real "bang-up" celebration on July 1 when Canada will be 110 years old.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, as a French-speaking Canadian, I should like to make a few remarks about the statement of the Secretary of State (Mr. Roberts). First of all, I want to thank him for having sent me fairly early a copy of this statement. I would not like my remarks to sound too bitter, but I do feel they must be made if we want certain things that are going on to change. I find it most unfortunate that the French version I received was written in very poor French; the text was full of mistakes, both spelling and syntax, when Parliament has in fact excellent translators, who do terrific work. One need but read *Hansard* to realize how true what I am saying is. That such a text should have been received from a minister, and more, the Secretary of State for Canada, is unforgivable. I therefore trust that he will attend to that inexcusable anomaly on his part, no malice intended. Once again, I feel things must be brought out into the open if improvements are to be made.

The Social Credit Party of Canada supports the idea of a big celebration for Canada. It will be and must be Canada's day. I insist on this because in these days we must of necessity be proud of the fact that our country bears the name of Canada. So, the name must be repeated very often and I trust that celebration will truly be that of the whole of Canada, from the Pacific to the Atlantic.

We deplore, Mr. Speaker, that the Secretary of State and thus the government, and perhaps also Parliament, have as usual once again waited till the fire is roaring before calling firemen. For 10 years now we have been telling this government that Canada is in bad shape, that the provinces are dissatisfied, that Quebecers are beginning to be fed up with what is going on, that the government is sitting by while the economic and social situation is getting ever more rotten to such an extent that there are now over one million unemployed people in our beautiful and great country, when there is so much to do and all those energies that could be used.

In his statement, the Secretary of State has mentioned that prominent people would travel throughout Canada. He told us a few minutes ago that in the next few days he will announce who those people will be. I think it would be normal that travel expenses be paid not only for prominent people—who could afford to pay their own way—but also for little people, unemployed people and Quebecers who do not know much about Canada. They should be given a chance to travel throughout Canada. It would serve our country very well if more Quebecers could visit the other provinces. This is a suggestion which, I hope, will be considered.

In 1967, there was a great boom for the centenary of Confederation. Then everything was dropped or nearly so because, as mentioned by the Prime Minister (Mr. Trudeau) last April, separatism in Quebec is dead indeed. At that time, the Prime Minister thought it was over. By the way, I would like to draw the attention of the Secretary of State to a situation I witnessed on Monday, May 30, in my riding on the occasion of the launching of a book to celebrate the third centenary of a municipality along the St. Lawrence River. The person in charge of the press conference criticized us because the federal government had refused to help financially in the preparations for this event. And of course, as a member of Parliament and as a Canadian, I reacted. I was not very happy to hear that the organizers of the festivities had presented a project under the Canada Works program to try to organize something good and that the project had been turned down. Mr. Speaker, you imagine that a member of parliament who

has a heart and whose blood boils in his veins, would propose to bring this to the attention of the authorities at the first opportunity. This is what I am doing, and I would ask the Secretary of State to remember this, because a tricentennial does not happen every day. So there ought to be a policy across Canada to help celebrate those days in all provinces of the country.

Mr. Speaker, the Prime Minister stated that separatism was dead in Quebec. I think he must have found on November 15 that his prediction did not quite reflect reality, but something must be done to solve the problem. We must take action, and in taking action, we must do something which will show all Canadians, in any province, that Canada is governed by a Parliament and a government which responds to the needs of all Canadians and want to give all Canadians an equal opportunity to share the wealth and revenues of the country.

Mr. Speaker, in conclusion I would say to Parliament and to the government that something has to be done most urgently. I want also to stress the fact that our confidence in the present constitution, as well as that of Canadians at large, will erode progressively. It is urgent that we work out a new one and that we start right now to prepare it so that Canada Day in 1978 be the most beautiful event that has ever occurred in our country. We will thus realize that there are people in Canada who really want to work together, who understand each other whatever the language and who want to make Canada the most beautiful country in the North American continent.

* * *

● (1230)

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,159, 2,172, 2,331, 2,332, 2,354, 2,393 and 2,477.

[*Text*]

TRANSPORT—EMPLOYEES ENGAGED IN CHECKING RAILROAD EQUIPMENT

Question No. 2,159—**Mr. Stevens:**

As of December 31 (a) 1968 (b) 1976, what was the number of federal employees engaged to check railroad equipment for safety?

Hon. Otto E. Lang (Minister of Transport): In so far as the Canadian Transport Commission is concerned: On December 31, 1968 and December 31, 1976, the number of employees of the Railway Transport Committee engaged in the checking of railroad locomotives and cars for safety was 17.

[Mr. Lambert (Bellechasse).]

SAFETY OF FOOD AND DRUGS

Question No. 2,172—**Mr. Stevens:**

As of December 31 (a) 1968 (b) 1976, what was the number of federal employees engaged to check the safety of food and drugs?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as Agriculture Canada is concerned, the answer is: (a) 981; (b) 1,391. Departmental personnel devote only a portion of their time in the checking of the safety of food and drugs.

In so far as the Department of National Health and Welfare is concerned: (a) 150; (b) 225.

POLICY MAKING—ANIMAL AND PLANT HEALTH

Question No. 2,331—**Mr. Stevens:**

As of December 31 (a) 1968 (b) 1976, how many federal employees were charged with policy-making, or the interpretation of policies, relating to animal and plant health?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as Agriculture Canada is concerned: (a) 19; (b) 20.

In so far as the Department of National Health and Welfare is concerned: (a) 10; (b) 7.

NOTE: The formerly decentralized Animal Resource facilities were centralized under the Finance and Administration Directorate, Health Protection Branch, in 1974. This centralization resulted in a reduction in manpower required between 1968 and 1976.

POLICY MAKING—FOOD AND DRUGS

Question No. 2,332—**Mr. Stevens:**

As of December 31 (a) 1968 (b) 1976, how many federal employees were charged with policy-making, or interpretation of policies, regulating the safety of food and drugs?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as Agriculture Canada is concerned, the answer is: (a) 19; (b) 20. Departmental personnel devote only a portion of their time in the policy-making, or interpretation of policies, regulating the safety of food and drugs.

In so far as the Department of National Health and Welfare is concerned: (a) 17; (b) 20.

TANKERS CALLING AT PORTS IN QUEBEC

Question No. 2,354—**Mr. Forrestall:**

1. During (a) January (b) February (c) March 1976, what percentage of the total number of vessels calling at the Port of (i) Quebec (ii) Trois-Rivières (iii) Montreal, to load or discharge cargo, were tankers?

2. How many square feet of National Harbours Board shedded area is currently available at (a) Montreal (b) Quebec (c) Halifax (d) Saint John?

3. For the year (a) 1975 (b) 1976, what was the total volume of general cargo shipped over piers associated with the sheds, excluding facilities used primarily for container handling?

Hon. Otto E. Lang (Minister of Transport): The National Harbours Board advises as follows: 1.

		(a) January 1976	(b) February 1976	(c) March 1976
(i)	Quebec	50 per cent	52 per cent	48 per cent
(ii)	Trois-Rivières	30 per cent	50 per cent	18 per cent
(iii)	Montreal	32 per cent	34 per cent	30 per cent

2. (a) Montreal, 2,870,454 square feet; (b) Quebec, 599,300 square feet; (c) Halifax, 760,604 square feet; (d) Saint John, 813,665 square feet.

3.

	(a) 1975 (Tons)	(b) 1976 (Tons)
Montreal	1,716,772	1,597,330
Quebec	1,800,012	2,269,728
Halifax	455,456	387,382
Saint John	1,012,314	1,016,990

TRANSFER OF AIR CANADA EMPLOYEES FROM PROVINCE OF QUEBEC

Question No. 2,393—**Mr. O'Sullivan:**

1. How many employees of Air Canada have been transferred from the Province of Quebec to postings outside the province, either in Canada or elsewhere, in (a) 1974 (b) 1975 (c) 1976 (d) the first three months of 1977?

2. (a) How many tranfers were at the request of the employee and how many were granted (b) how many resulted in the employee being transferred at an occupational and/or salary level equal to, or lower than that enjoyed in the Province of Quebec?

Hon. Otto E. Lang (Minister of Transport): The management of Air Canada advises as follows: 1 and 2. Air Canada's records do not contain this information in the form in which it has been requested. As a result, it would take an inordinate amount of clerical time and cost to search for and obtain the information.

ABDUCTION OF VICTORIA STARR

Question No. 2,477—**Mr. Cossitt:**

1. Is the Minister of Exernal Affairs aware that an Iranian citizen, Mr. Mamhoud Kazen, on a one month visit to Canada in August 1976, abducted his eleven year old daughter Vicki, from the home of the child's mother in Canada and that the child was in custody of the mother under Canadian law as a result of divorce proceedings some years ago?

2. Has the government taken any steps on the matter and, if so, of what nature?

3. Were representations made to the government of Iran and, if so (a) on what date (b) in what nature (c) by whom?

4. Is the child a Canadian citizen under Canadian law and, if so, what further steps will the government take in an attempt to have her returned to her mother in Canada?

5. Is the government aware of a court order which gave Mr. Kazen the right to visit his daughter in Canada on the condition his passport be surrendered to a lawyer upon arrival and, if so, for what reason were steps not taken to enforce this court order by any Canadian official?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): 1. Yes, although we understand the father's surname is spelled Kazem.

2. Since the government learned of Victoria's removal from Canada to Iran by her father contrary to an Ontario Court Order, Canadian officials have discussed the matter with the mother and with Mr. Kazem on a number of occasions, with a view to facilitating a negotiated settlement between the mother and father, and the return of Victoria to her family in Canada. Full details of the case were transmitted to the Canadian Embassy in Tehran which has made representations to the authorities in Iran. In addition, the matter has been raised with the Iranian Ambassador to Canada. Most recently, on March 9, at the request of the Department of External Affairs, consultations were held between Mrs. Starr, her lawyer and officials of that Department. Proposals for new custody arrangements were formulated by Mrs. Starr and forwarded to Iran for transmission to Mr. Kazem. Further discussions took place between Mr. Kazem and the Canadian Embassy. Subsequently, the Department received detailed reports from the Embassy which set out Mr. Kazem's counter proposals, and these have been passed to Mrs. Starr and her lawyer.

3. Yes. (a) From the outset at the time in August, 1976 that Victoria and her father arrived in Tehran, up to the present time, a number of discussions have taken place with the Iranian authorities, and with the father and mother. (b) On August 29, 1976 the then Secretary of State for External Affairs, the Hon. Allan J. MacEachen, wrote to the Iranian Ambassador to Ottawa. Subsequently, officials of the Canadian Embassy in Tehran have on numerous occasions discussed the matter with Mr. Kazem and his lawyer, with Mrs. Starr's Iranian lawyer, with officials of the Iranian Foreign Ministry and with Iranian Immigration authorities. (c) As in (b).

4. Yes. However it is understood that Victoria is also a citizen of Iran. Under Iranian laws the Ontario custody order has no force and effect in that country. Mrs. Starr has obtained advice on recourses available under the laws of Iran. The Government of Iran has taken the position that Victoria is an Iranian citizen, legally resident in that country and subject to the laws of Iran. In these circumstances, and in the absence of any agreement between Canada and Iran for the mutual enforcement of custody orders, it is not clear what further remedies may be available to Mrs. Starr in Iran. While the Government of Canada will continue to assist in any way possible in Mrs. Starr's efforts to have Victoria re-united with her family, prospects do not seem encouraging unless the father and mother can come to some understanding.

5. Yes. The Government was not, however, aware of the Ontario Surrogate Court Order until after Victoria had been taken out of the country.

Scientific Activities of Government

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): If question No. 775 could be made an order for return, this return would be tabled immediately. I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

MANPOWER DISTRIBUTION—POST OFFICE DEPARTMENT

Question No. 775—**Mr. Rodriguez:**

1. With reference to the heading Manpower Distribution in the Post Office Department annual reports, for each category, what are the figures for (a) Letter Carriers' Union of Canada (b) Canadian Union of Postal Works (c) Association of Postal Officers of Canada (d) Canadian Postmasters Association (e) Public Service Alliance of Canada (i) Railway Mail Clerks (ii) General Labour Trades (iii) other trade groups (f) other specific groups of organized employees (g) out of scope management (h) all other groups for each fiscal year from 1970-71 to the present?

2. For the same fiscal years, in each category of Manpower Distribution, what were (a) the aggregate salaries and wages (b) the (i) names (ii) locations (iii) salaries (iv) positions of all employees earning $20,000 per year or more?

Return tabled.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ORGANIZATION (SCIENTIFIC ACTIVITIES) ACT, 1976

MEASURE RESPECTING ORGANIZATION OF CERTAIN SCIENTIFIC ACTIVITIES OF GOVERNMENT

The House resumed, from Thursday, June 2, consideration of the motion of Mr. Faulkner (for the Prime Minister) that Bill C-26, respecting the organization of certain scientific activities of the government of Canada, be read the third time and do pass.

Hon. James Hugh Faulkner (Minister of State for Science and Technology): Mr. Speaker, last night at the time of adjournment I was discussing Bill C-26, and particularly the impact which it will have on the granting councils and university research. I gave some indication of what I felt lay ahead, some of the directions which I felt were implicit within the bill. I concluded my remarks last night by suggesting that I feel that the bill itself is timely and that it would be a vehicle for some important evolutionary changes within the functioning of the granting council system—a system which, I might add, historically has served this country extremely well.

Now I would like to look at another part of the framework of the granting councils which exists outside granting councils itself but which I have discussed both in committee and on second reading. I am referring, of course, to the role of the Inter-Council Co-ordinating Committee. This committee, as I indicated on second reading, will report to me. It will consist of the Secretary of MOSST, as chairman, and the heads of the three councils. It will be the forum for discussions among the councils and between the councils and the government. It will have as a prime function the job of co-ordinating the policies, programs and practices of the councils, to see that, on the one hand, they do reflect national objectives and priorities, and on the other that they make sense from the point of view of the universities for the development of university research across the range of disciplines. The councils have, of course, final responsibility for shaping their own objectives and supporting policies and programs. This is quite clear. The ICCC will be the sounding-board for discussing their completeness and consistency and their total impact on the university research community. This will be a new and significant element in the federal granting picture.

The ICCC will have other functions. It will advise on the allocation of funds among the councils; it will take an active role to ensure that the needs of interdisciplinary research, both within councils and crossing the boundaries of both disciplines and councils, are met; it will try to see that all disciplines are covered. The committee can invite others to its meetings from both outside and inside the government. As the new councils become established, I can see that the ICCC will be a valuable forum for looking at the interaction and balance among departmental programs of university support and council programs, for example, those of agriculture and the new natural sciences and engineering research council. There has been criticism that the ICCC is not in the bill and, without statutory authority, will lack muscle. In my view that is not so. Its authority derives essentially from the intention the government has for it, its membership and its role. Its scope and action remain flexible and, as with the bill, the concept behind its creation is evolutionary change.

I have laid emphasis on the need for clearer objectives for research support by both the councils and the universities themselves. I noted in my second reading statement the kinds of objectives, in broad terms, the councils might be guided by. I would like briefly to elaborate on certain of these, because I would like the House to appreciate the longer term implications of this bill and the importance of what will be done here today in bringing this bill a step closer to final approval. I would also like to feel I have the support of the House for the thoughts I am putting forward.

• (1240)

The goal of all university research must continue to be excellence assessed by the peer review system, whether it is in unravelling the structure of an enzyme or in developing new techniques for extracting oil from tar sands. I have said, however, that the era of all university research being motivated solely by the desire to expand the frontiers of knowledge is passing. Research in the universities is now multifaceted, and increasingly the stimulus for the research will be coming from outside the university. But we cannot expect, as a nation, that university research will be able to contribute fully to national

issues if we do not define what the research objectives are with respect to those issues and what opportunities there are for university scientists and scholars to get involved.

The challenge to the new councils is to develop policies and mechanisms which will encourage the university research community to respond. The problems posed to the community should not only be those of direct concern to governments and industry, as I indicated last night, but should also cover the issues confronting Canadian society in general. The broad objectives or guidelines I described last December provide a context for the definition of these research objectives. To speak in particular of two of them, I think the councils must consider a regional balance of scientific capability and the support of interdisciplinary research in setting out and implementing their objectives. The objective of achieving a regional balance should not be interpreted as meaning that the government wants to see a regional balance within each discipline. This would be unreasonable; we simply do not have the resources. What is intended is a fair distribution of centres of specialization in different disciplines or groups of disciplines across the country. Thus, we should reinforce a regional capability which has grown out of the presence of an outstanding scientist or scholar or a special competence related to the geographic, economic or social conditions of the region.

There will be difficult decisions for the councils here on what to support, and where. The appropriate marshalling of talent and resources in centres of specialization will depend on a detailed knowledge of the state of the art in various fields of research and an understanding of the strengths and weaknesses of the universities, including an awareness of the attitudes to research of the university administrations. The councils must begin to obtain this information if they do not already have it.

The councils should also, I believe, give serious thought to how interdisciplinary research is best supported and carried out. Some success has been achieved by the present councils in supporting scientists and scholars from different disciplines working together in various university institutes which cut across traditional departmental lines. From my own observations, I know, however, that many of these efforts have been tentative and have failed to develop the right kind of institutional mechanism or reward systems which would ensure continuing success. There are obstacles in the way of establishing the mutual respect necessary for good teamwork. These will have to be overcome if the optimum level of research capability in Canada is to be achieved. Future progress in addressing national problem areas will be based on the sharing of knowledge among disciplines, as will the general advance of knowledge, and new policies and programs from the councils will be needed. It is especially in these areas that bright, young scientists would be able to pursue research careers.

It is not difficult to think of areas of national concern where research is essential. The efficient development of our agricultural and food technologies, the management—including both exploitation and protection—of our marine resources, the identification of poisons in our atmosphere and water affecting the health of Canadian society, and the increasing concentration of Canadians in a few urban centres are examples. The councils, bearing in mind provincial and regional priorities, will have the task of translating national issues into research objectives.

What will these research objectives look like, and how will they be arrived at? I am not sure I can answer this question with any assurance. This will be a task for the councils. It has not been done to any extent before, but what is clear to me is that it will require leadership from the councils to see it through. The process of setting these objectives must, I think, have the involvement and support of the scientific and scholarly communities. Without the backing of the community, the response to such new objectives is not likely to be of high quality or quantity. The challenge, as I say, will be for the councils to come up with policies and programs which strike the right note. I would add that universities themselves may also find their research policies have to be re-examined in light of the changing directions of council programs.

Finally, I do not want to leave the impression that the councils will be devoting all their resources to specific issues. The support of free inquiry has a firm place in council objectives and, as I emphasized, will continue to have that place. Basic research has produced much of the knowledge underlying our present prosperity. Canada will go on contributing to that body of knowledge which is the common property of all mankind. To be a parasite on this stock of knowledge is not the government's policy. Our contribution has been distinguished in the past and I hope it will be even more distinguished in the future.

I have not spoken today about the other aspects of the bill. They were discussed previously and it was agreed in the committee that they would be useful and worth-while changes. I would simply like to conclude my remarks by reiterating my thanks to all hon. members of the House who participated in the discussion on this bill. I would cite two in particular, the hon. member for Halton-Wentworth (Mr. Kempling) and the hon. member for Wellington (Mr. Maine) who took a very particular interest in this bill at second reading, through the committee stage and on to third reading. I am very grateful to them and the other members of the committee who participated in the debate on this bill.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, there are a few remarks I would like to make in this third reading debate. I hope to conclude by one o'clock. The concerns I expressed about Bill C-26 at second reading are in the main still with me. At the time of the second reading debate I said I believed that by putting in place an additional layer of bureaucracy, the net amount of money available for actual research would be less. Given the illusory position of the government with regard to reducing the cost of administration, and given the constraints placed on total budget estimates, we can only conclude that there will be, by the mechanism of this bill, less money available for actual research, where the real work is done. However, as the minister has said, some of this

may be redressed by re-examination by the university community of the projects on which they are working.

Further, I was somewhat concerned about the release on April 26 by the minister regarding the contracting out of scientific requirements to the private sector. In effect, that is merely a reshuffling of the deck. The existing policies of the government for industrial research are, in real terms, available to only 5 per cent of Canadian industry, and they really should be oriented to 95 per cent. Only about 1,550 Canadian firms are capable of supporting in-house research and development. Another 5,000 Canadian firms are capable of purchasing research from private or provincial research foundations. The balance of about 24,600 Canadian firms can neither support in-house research nor purchase research on new products from private or provincial research foundations. The basic problem is that the government has never committed itself to the establishment of a strong secondary industrial base in Canada. I see little, if anything, in this legislation to change that.

However, it is not our purpose to frustrate this legislation on that point. We do not intend to prolong the debate on that point. We will pursue it through other legislation to try to effect a change. In his book "The Economics of Industrial Innovation" published in 1974, Professor Charles Freeman said the following:

> No amount of improvement in education and quality of labour force, no greater efforts by the mass media, no economies of scale or structural changes, no improvements in management, or in government administration could in themselves ultimately transcend the technical limitations of candle power as a means of illumination, wind as a source of energy, or iron as an engineering material, or of horses as a means of transport. Without technical innovation, economic progress would cease in the long run and in this sense we are justified in regarding it as primary, although operating in close association with other factors.

The very basis of a manufacturing industry is the systematic application of science and technology. Technology is the key to industrial progress and the key to competitive survival. Appropriate technology is the key to the development of small, regional enterprises in the less developed regions of this country. Much of that appropriate technology should be geared to the resource bases of those regions. Most of our legislation is geared to the development of economies of scale and of specialization agreements and exclusion from monopoly legislation in order to achieve those economies of scale.

● (1250)

The criticism I have is that the base is being continually narrowed and little attention is paid to broadening it. For this reason we were critical of the transfer of the patents and development branch to the Department of Industry, Trade and Commerce, where we believe it will be lost in the bureaucratic jungle and will wither on the vine. We believe there is a mechanism whereby the patents and development branch could act as a clearing-house for patents from other jurisdictions that have run their course and become public property. We believe these should be made available to Canadian enterprises through the libraries of provincial research foundations. On some of this proven technology, new technology can be built and innovative enterprises spawned that will provide the products of the future.

Canadian industry is suffering from extreme fragmentation such as the proceedings at GATT and the proposal to reduce tariffs generally by 50 per cent across the board, and further fragmentation will take place. I do not oppose tariff cuts if we put in place mechanisms to develop new and appropriate technology geared to regional requirements. Without this commitment, however, the immediate future for industry is indeed very bleak. The future for the 1.5 million unemployed and those entering the labour force in the years ahead looks dark. The possibility of a reversal in our balance of payments deficit is not promising.

Most of the points I have made could have been included in this bill, but they have not. The criticism I have of the bill is not so much on its content but that it could have gone further. It could have incorporated many of the points I have mentioned and taken a bold, new direction for Canada.

I do not view science and technology in any partisan way. It is too important to be pushed into the background by political bickering. The representatives from the scientific and academic community who visited our offices while this bill was being debated brought with them their sincere concern for the future of scientific research. They stressed very conclusively the need for continuous funding so that they could keep their research teams together. They talked sincerely and with conviction about their concerns for future scientific research and the need for long-term funding so that they could continue to attract the best students into this vital field. I can only say to them that we appreciate their concern and will endeavour to address ourselves to it in the months ahead.

I urge the scientific and academic community not to give up because of the constraints on spending we presently face. The short-term future may look bleak, but the long-term future is bright. To those who are being enticed away by promises of higher rewards we say, "Pause and think about the future of Canada". The difficulties we face will be of short duration in the span of an academic life, but we need the very best minds that are available if we are to achieve the promise of the future.

Mr. Speaker, the debate on this bill was spirited, and that is good. The committee hearings were extensive, and that is good. By agreement, we have decided that the bill should pass with a minimum of debate at this stage because of the earlier debate and the depth of the committee hearings. I believe that is good, too. Our desire now is to conclude third reading debate so that the bill may pass through the next stage and be proclaimed. Whatever benefits may accrue to the scientific and academic community should be made available to them as soon as possible.

One of my colleagues said that this bill is one whose time has passed. That is his opinion. An opinion does not have to be right or wrong in order to be valid; it need only be honest. That was his honest opinion and he was perfectly right to express it. That is the nature of debate; that is part of the function of parliament. We endeavour to improve legislation presented to

this House so that the final product will be useful and relevant to Canada. Although we have reservations about this bill which we have expressed in debate and in committee, only the passage of time will prove or disprove our reservations and concerns about the effectiveness of the legislation. I, personally, hope that the concerns and criticism I have expressed are wrong. I hope that whatever benefits may flow from this bill will give the direction so desperately needed in this field.

Finally, Mr. Speaker, may I say that we in this party look forward with anticipation to new initiatives that may be presented to this House to enhance and strengthen scientific research and technical innovation in Canada.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we in this party have no desire to hold up this bill. Being our only speaker, I wonder, in view of the time, if I might call it one o'clock.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Goodale: On a point of order, Mr. Speaker, I should like to draw the attention of the House to a change in the order of business for this afternoon. Earlier today we discussed moving on to Bill C-13, the legislation dealing with historic sites, after we had passed the legislation on scientific activities. There have been the usual discussions, and it has been agreed that instead of dealing with Bill C-13 next we will deal with Bill S-3, the legislation dealing with insurance companies. When we have finished with Bill S-3, we will go on with Bill C-13 and continue with the order of business as announced.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Hon. members have taken notice, and there does not seem to be any disagreement. Therefore, we will proceed in that order. It being one o'clock, I do now leave the chair until two o'clock p.m.

At 12.58 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Orlikow: Mr. Speaker, I am sorry that the minister in whose name the bill stands cannot be present in the House this afternoon. Let me say, as I begin my comments, that I support the position the hon. member for Sault Ste. Marie (Mr. Symes) took on second reading. Juggling around with the granting mechanism and establishing new granting councils will not solve our difficulties in scientific research. The new granting body may employ more people than the old council, but that will do little good. After all, unless you make more money available for scientific and social research, cutting the pie up into smaller slices will not increase its over-all size.

I was amazed, to say the least, at some of the things the minister said this morning. He said, for instance, that the government does not intend this country to be a parasite on other countries in the field of scientific research; that is not government policy. Also, he said Canada will do its share. That is precisely our position. In a study carried out for the Ministry of Science and Technology in 1975 it is stated:

● (1410)

—major capital stock of any industrially advanced nation is not its physical equipment but rather its body of scientific knowledge and the capacity of its population to use this knowledge.

According to Statistics Canada we are now turning out about 2,500 Doctors of Philosophy a year, the largest number ever. Again according to Statistics Canada it is unlikely, given the policies we have been following in the research field, that as many as half of their number will be able to find gainful employment. That is a disaster for the country and a tremendous waste of our human and financial resources.

What are the reasons for our deficiency in technological capability? It seems to me there are two: first, with the encouragement of the government and, indeed, of four governments since the Second World War, we have been too willing to import prefabricated, American technology. This is primarily the result of Canada having the highest dependence of any industrialized western nation upon foreign controls and ownership of its industry. As many scientific researchers have pointed out, in most multinational corporations the major research and development effort takes place in the country where the head office is located. Although subsidiaries do perform research and development work, a large portion of this work is adapted, consisting of taking products and processes designed by the parent company and adapting them to the Canadian situation and environment. Clearly, if Canada continues to depend upon the scientific and engineering skills of other countries the long-term consequences will be disastrous.

The minister said he did not want us to be parasites. But if he would look at the figures for research and development he would see how far we have fallen behind in recent years. Public support of research and development in Canadian industry, in government laboratories and in universities has been steadily falling off since 1969. In 1975, support of industrial research and development dropped to 87 per cent of the 1969 level. Support of government research and development fell to 83 per cent of the 1969 level, and of university research and development to 67 per cent of the level in 1969. Is it any wonder statements have recently been made by the Royal Society, by medical researchers, by the Chemical Institute and by virtually every scientific body in this country expressing alarm over the situation?

I suppose that because of the close relationship between the medical profession and the people they serve, it is the medical researchers who have been most successful in persuading the government to make up, at least partially, for the mistakes of recent years. These cutbacks, the scope of which I have indicated, were further aggravated by the termination of such programs as the Industrial Research and Development Incen-

tives Act, by cutbacks in the program for the advancement of industrial technology and the elimination of the research granting activities of the Defence Research Board. In contrast, other advanced nations like the United States, Britain and France treated their research and development enterprises in 1974 either as well as they did in 1969 or better. The Royal Society commented in its statement last year that Canada appeared to be alone among the advanced nations in the attitude of its government toward research and development.

The second reason for technical weakness can be traced directly to our poor record of support for university basic research. A significant aspect of this neglect is the apparent deliberate attempt by the government to scuttle university research completely, as documented by the Royal Society in the statement to which I have referred. There has been a dramatic decline in the funding of basic research at Canadian universities. Funding by the National Research Council, in real dollars, in 1974 dropped to 60 per cent of the 1969 level, and by the Medical Research Council to about 80 per cent of the 1969 level. As I say, as a result of representations by medical researchers and others this situation has been rectified to the point at which this year we should be giving about the same amount to medical research as we did in 1969.

The proportion of the gross national product spent by the federal government on basic research through its two main funding agencies has been steadily decreasing since 1969. In that year it was a meagre .10 per cent; by 1969 it was .07 per cent. In contrast, Belgium spent .3 per cent; Germany .3 per cent; France .4 per cent; Japan .4 per cent, and the Netherlands .6 per cent. In other words, Canada spent about one-quarter of the average support level of those West European countries and Japan. We are talking, it should be remembered, about a country which until recently, at least, had one of the highest gross national products of any in the world.

In 1974, Canada's increase over the 1969 support level amounted to between 8 per cent and 10 per cent, whereas in West Germany it was 150 per cent, in France 100 per cent, and in the U.S.A. 50 per cent. In the United Kingdom, which we know to have been suffering serious economic difficulties, the increase was 60 per cent. Unlike Canada, these countries clearly recognize that basic research capability provides the underpinning for future technological development, resulting in a strong secondary manufacturing section with its high growth of employment opportunities.

We have seen a continuing decline in recent years in the percentage of our labour force engaged in manufacturing. We have increasingly become hewers of wood and drawers of water. This is a serious matter because there is evidence that the United States may be revising its strategy of allowing unimpeded export of expertise and know-how to Canada, or to other nations, for that matter.

● (1420)

In a paper to the congressional subcommittee on economic growth in 1975, Robert Gilpin, a Princeton economist, warned of the dangers to American leadership in science and technology and to the American international market position. He said that if one is to acquire foreign technology, one must have technology with which to bargain and trade. If the United States government were to follow the advice of Mr. Gilpin, there is no country in the world which would be more adversely, indeed disastrously, affected than Canada since we depend almost exclusively upon the United States for industrial know-how. To a tremendous extent this know-how is imported into Canada from the United States.

It seems to me that in our present weak position Canada has two choices. We can continue to plead for special status with the United States, or we can begin to move toward being technologically independent. To my mind there is no difficulty in choosing the better policy for Canada to follow. But if we are to follow the objective of becoming more technologically independent, we must recognize the necessity for a strong base for technology and then initiate a science policy which commits this country to the furtherance of this objective.

It seems to me very obvious from the figures that I have quoted, figures which have been made public through the work of all scientific organizations founded in various fields in Canada, that this government has not followed such a policy. Indeed, the government has an anti-science policy. It would be charitable to say that this can be ascribed to the lack of understanding of the value and role of science as a moulding force of society. If anyone feels that I am being too harsh when I say that, I would refer them to the view of a former minister of science and technology, the hon. member for Westmount (Mr. Drury), that all scientific organizations felt that way. Really, nothing has changed since that time.

The Senate committee headed by Senator Lamontagne which studied at great length and over several years scientific research made a number of interesting observations. In the second volume of its report it had this to say:

> A second feature of basic science that justifies financial support is that it is not as pure as it is often alleged to be. Indeed it would be quite easy to show that many important innovations since the first industrial revolution have originated from basic research and scientific discoveries that were not at first viewed as having practical application. The financing of such research can thus be rationalized on the basis that basic science be considered as an overhead charge on applied science and R and D in general.

This government is taking exactly the opposite view. It has taken the view that we have a limited amount of money for scientific research; that therefore cutbacks will be made on pure science and basic research grants. There will be cutbacks in funds for universities and more money will be spent on the practical application of scientific research. As I say, this is the converse of the observation in the Lamontagne report. The Science Council, in their report, had this to say:

> It is generally accepted that research is an indispensable element of a university for the development of both teacher and students. Thus Canadian education requires research in Canadian educational institutions. Research at the universities need not and should not be limited to basic research alone. Nevertheless, the search for new and deep understanding of the world which is inherent in basic research make it particularly important to higher education.

Clearly, the opportunity for original inquiry helps generate new knowledge, is an important adjunct of professional teaching and is central to the education of advanced students.

Today, a majority of new graduates in virtually every scientific discipline in Canada simply cannot find jobs in Canadian universities, in the government service or Canadian industry. The task force on research reported in *Science Forum*, in one of this year's issues:

—if the current policies and enrolment trends persist we must face the prospect of a period of 20 years during which few posts in research and teaching will be filled by young recruits. Thus the research work continues to be deprived of fresh talent, and would age rapidly (at an estimated rate of 0.8 years per annum). Continuing erosion will lead to a major crisis in the 1990s when the majority of the present researchers will be of retirement age without adequate replacement of their expertise being available from within the country.

That is what has been happening in this country, and we believe it ought not to happen, that it need not happen. I come back to what I said at the beginning, that the restructuring of the granting agencies will have very little effect on what we accomplish in the field of scientific research. The prime reason for our failures has been, is, and will continue to be, lack of adequate funding. We believe we must commit at least four-tenths of 1 per cent of our gross national product to scientific research. We agree that the agencies and the government organizations which are charged with approving scientific research projects and granting money should be simplified. This is why we support this bill as a first step. However, we believe that without a sharp increase in the amount of grants we will continue to fail, as we have been failing in the last ten or more years.

We believe that the agencies need to be charged with the responsibility of sponsoring more of what has been called, in the scientific community, mission-oriented research. This is research which may involve a considerable element of basic research but which nevertheless is directed toward a specific goal or mission. This type of research is most often conducted in a government or private research institute. Many countries, particularly France, West Germany and the Soviet Union, have promoted these research institutes with considerable success. We have experimented with this type of research organization in the establishment of Atomic Energy of Canada, Limited which was largely responsible for the basic research and development which led to the CANDU nuclear reactor which we claim is one of the best in the world. Unfortunately, there are a few other examples in Canada of this type of research organization which might best be called a research and development corporation.

We are facing a dilemma. On the one hand, there is a growing surplus of manpower in the science and engineering fields, with little indication of what we should do with these people; on the other hand, funding for research and development has steadily decreased in terms of constant dollars over the last ten years. Hence, fewer and fewer jobs are available for our graduates.

● (1430)

I am suggesting an institute for the establishment of a solar energy research and development Crown corporation. I understand the United States is in the process of establishing such an institute. Such an institute could not only conduct research on solar heating and cooling of buildings, solar cells, solar fuels, etc., but could also co-ordinate all solar energy research activities in Canada. The world is crying for the use of solar energy. The industrialized countries, and particularly the underdeveloped countries, are not likely in the foreseeable future to have the funds for alternative energy sources or to have the funds to purchase oil, natural gas, coal or any of the other existing sources of energy.

Canada should take the lead in not only meeting its own needs in 10 or 20 years from now through the use of solar energy but in developing a basis for using solar energy in ways which could be exported to the benefit of Canadians and to the benefit of recipient countries. I am referring to a system for tapping the solar energy available. This is one example of the many we ought to be exploring and about which we have done virtually nothing.

As I have indicated, Canada ranks far behind other industrial countries in their percentage of gross national product devoted to research and development. When we look at applied research and development, largely carried out in industry, Canada ranks last out of eight industrial countries in the percentage of the research and development dollar devoted to industrial research. It was less than 40 per cent in 1972. Not only is the quality of research and development conducted by industry in Canada very poor, but also the quality appears to be poor. It has been discovered that of the 110 significant innovations in the world since World War II, which cover a wide range of science intensive industries including electronic components, pharmaceuticals, plastics, computers, etc., none was first developed in Canada. Although this study covers the period to 1970, recent data suggests that we have not been doing much better since then.

Compared to most other countries, industry in Canada provides a higher percentage of the funds for industrial research and development as compared to the United States, for example, where research and development is the most intense and industry provides a smaller proportion of the financing than in other countries. The government must participate with industries to share the financing of industrial research and development through direct grants and cost-sharing programs, particularly in industries which will help build a secondary manufacturing base and allow diversification from dependence on resource-based industries which we have had in recent years. The secondary manufacturing base in Canada has been deteriorating. The success of these shared ventures will depend on clearly identifying projects which are geared to the special needs of the Canadian market. That will not happen as long as this country continues to be dominated, particularly in the manufacturing sector of our economy, by the multinational companies.

The ability of this country to function as an independent nation will depend on our capacity to develop a strong secondary manufacturing industry based on products and ideas developed from a heavy investment in research and development. This must come from the government. It may be too old-fashioned to talk about Canadians being hewers of wood and

drawers of water. As one scientist said, the only thing that has changed has been to replace the axe by the chain-saw, and the pail by the water-pump.

In our view, we need a national science policy designed to promote scientific and technological innovations to meet the important economic, environmental and social challenges confronting us and to enhance our daily lives. To achieve this we need a government willing to commit a much greater percentage of our gross national product to basic applied research and development. We need research and development Crown corporations to help these national goals. We also need a firm commitment by the government that we are going to move to regain control of our industry in order to stimulate this applied research and development.

Science is too important to continue in the way we have. While we support the bill we have before us, we do not believe the government really means to do the kinds of things in the field of scientific policies which are required. We foresee much more trouble in the coming years than we have had in the last couple of years, with more unemployment and more difficulties for the thousands of graduates we have been turning out from our scientific institutions.

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

Some hon. Members: Question.

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

* * *

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

AMENDMENT TO CLARIFY DEFINITIONS

Hon. Donald S. Macdonald (Minister of Finance) moved that Bill S-3, to amend the Canadian and British Insurance Companies Act and the Foreign Insurance Companies Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, the bill relates to three types of companies—Canadian companies, Commonwealth companies, and insurance companies from other parts of the world. The main purpose of the bill is to revise the existing statutory rules concerning the valuation of the liabilities and assets of insurance companies and concerning the presentation of accounts. The objective of these changes is to have the financial accounts of insurance companies presented in a manner that will conform more closely to generally accepted accounting principles than has been the case in the past. These matters have been under intensive study for the past two or three years, stimulated by the accounting profession in Canada and in the United States and also by the Canadian Institute of Actuaries.

The problem of fair presentation of financial accounts of an insurance company is a difficult one. The valuation of a company's obligations involves elements of judgment relating to whether policies will give rise to claims in the future and when these claims will arise. On the assets side, it is necessary to form a judgment concerning the earning power of the existing assets portfolio and whether this portfolio, together with future investment income and future premium payments, will produce the right amounts of money at the right time to pay future claims and expenses. Thus, the valuation of the liabilities and the valuation of assets for an insurance company are closely linked.

● (1440)

A further difficult problem relates to the fact that administrative expenses in connection with the issuance of insurance policies are heavily concentrated at the outset of the policy. It has been traditional in the insurance industry to treat these acquisition expenses as an outright expense as they are incurred. However, standard accounting practice would, instead, spread the impact of the heavy acquisition expense over a period of years rather than concentrate it at the outset. The traditional practice has been conservative in the sense that a company is forced to have sufficient resources to carry this initial expense while it waits for recovery of the expense from future premiums. On the other hand, the standard accounting approach gives, perhaps, a better ongoing assessment of the financial results of a company's operation.

In proposing these amendments, the government recognizes that it is not only desirable to revise and improve the presentation of financial accounts of insurance companies but that it is also desirable to retain sufficient safeguards to protect the solvency of such companies. It is also considered desirable to arrive at one statement form for use by supervisory agencies, as well as for presentation to shareholders, policyholders and the public, if this can be achieved. We recognize, too, that changes from the traditional method of presentation of accounts to methods that are more closely in line with generally accepted accounting principles will take some time. Further thought and development of ideas are certain to take place. The existing bill would amend the present legislative structure in order to permit a revised presentation of accounts and also contemplates some flexibility to take into account results of future and ongoing discussions among the interested parties.

With respect to liabilities, the bill proposes considerable changes from existing requirements. There will be much more responsibility placed upon the actuary of a life insurance company to choose appropriate valuation bases and valuation methods. There will be broader scope than at present to spread the impact of acquisition expenses over the premium-paying period of the policy, thus producing a better presentation of the profit or loss of a company from year to year.

With respect to regulatory control, the bill proposes that the Superintendent of Insurance shall have final control to reject valuation bases that he thinks are inappropriate, and the bill also proposes a maximum limit on the deferral of acquisition expenses.

With respect to assets, the bill proposes that a company be able to present its assets at the book values, less an investment valuation reserve to be determined by regulation. The book

values, in general, will be defined at the amortized values for redeemable securities, and the outstanding balances for mortgage loans. For stocks, the book values would be the purchase price together with a special adjustment applied to the whole portfolio, to recognize some portion of realized and unrealized capital gains and losses. Real estate would have a book value equal to the purchase price.

It is proposed to fix the investment valuation reserve by regulation since there is considerable ongoing discussion in the accounting and actuarial professions concerning appropriate methods to value assets for insurance companies. There will likely be further developments in this field from time to time in the future. We would wish, however, to discuss these proposals with the industry before final decision. Draft proposals have been distributed.

For property and casualty insurance companies, although much of the above applies, the bill proposes a change in the minimum capital and surplus requirements now prescribed for this type of company. These changes should help to improve the capacity of existing insurance companies to serve the Canadian market but without any dangerous weakening of solvency standards.

One change of interest is that the bill proposes a change in the definition of "British company" in order to extend this definition to include organizations such as Lloyd's of London. At present, Lloyd's is exempt from the application of the insurance legislation since it is not a "corporation" and the act presently deals only with British organizations that are corporations. Lloyd's has expressed some interest in being registered under federal legislation. In the past, this has not been possible since Lloyd's could not find a way to deposit assets in Canada to cover their liabilities in Canada, as is required of other non-resident insurers. It now appears, however, that Lloyd's has made an arrangement to deposit assets in Canada and, consequently, it seems possible to work out arrangements to give them registered status.

However, some further discussions are needed since the Lloyd's organization has characteristics that are not found in ordinary insurance companies. Consequently, the bill proposes that this change come into force only on proclamation. It also proposes that authority be given to the Superintendent of Insurance to work out special arrangements to meet the special nature of the Lloyd's organization, all within the concept of maintaining assets in Canada to cover the liabilities here.

The bill proposes a modest increase in corporate powers of insurance companies to enable them to transact ancillary business directly, rather than only through subsidiaries as at present. Some additional flexibility will be given to insurance companies to permit them to issue capital stock in classes or series of shares and to subdivide the par value of shares. In this connection I might mention that it is the intention to propose a general revision of the corporate clauses of the insurance legislation as soon as this can be done. In the circumstances now facing us, however, this further revision will probably await completion of the studies of the Bank Act and, perhaps, legislation relating to other financial institutions.

The bill proposes a number of changes with respect to investment powers. The power to invest in government securities other than those of governments in Canada will be restricted to government securities of countries where a Canadian insurance company is doing business, but the bill proposes that the government bonds of other countries may be authorized by regulation.

Since the bill received first reading in this House, the question of depositing foreign pay securities to cover Canadian liabilities has assumed greater importance. Because of certain accounting rules adopted in the United States a number of companies from that country have indicated a desire to deposit U.S. dollar securities in Canada to cover some or all of their liabilities here. It seems necessary, therefore, to have broader control over this matter than was originally thought necessary. Accordingly, it is proposed to amend the bill to make clear that a non-resident company may deposit or rest in trust securities not payable in Canadian dollars only with the consent of the minister and subject to such conditions and such valuation as he may prescribe. The provision now in the bill relating only to government securities of the home jurisdiction would then be unnecessary.

When the bill received attention in the other place there was no objection raised. The insurance industry indicated that it was satisfied with the amendments. However, since that time a number of comments have been received, mostly from the investment community, concerning the revision of the investment provisions. These comments were not critical of the principles involved but sought some revision of technical details to ease the problem of determining eligibility of new issues. It seems reasonable to make changes to accord with such requests. Consequently, some amendments will be proposed in committee to that end. In addition, a few other drafting points have been called to our attention and these also might be corrected in committee.

This is a bill of some technical complexity. The Superintendent of Insurance and other officials will be readily available to the committee for the purpose of considering this revision.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, as the minister indicated, this bill has come to us from the other place where it was passed on March 16. Essentially, as the minister also said, it is a housekeeping bill with certain improvement provisions in it. I want to refer to the proceedings in the committee of the other place for a moment where the bill was referred to by the Superintendent of Insurance as being a formidable looking document, although he pointed out to the members of that committee that it was not quite as bad as it looked. I am not sure that he should be considering legislation on the basis of how it looks, but it is a fact that the bill has essentially three parts with basically similar provisions applying, first to Canadian companies, second to British companies, and third to foreign companies. So it is really only the first 17 clauses that we will be considering as the important part of the content.

● (1450)

I think the minister made the point that the main purpose of the bill is to revise and clarify the requirements for financial reporting for insurance companies. Reference is made in the bill to the use of actuaries and the studies that have been made by the actuarial societies and the accounting bodies, including undoubtedly the Institute of Chartered Accountants in Canada. I am often reminded that most people think of accounting as being an exact science, and I always disagree with that. I think this is a good example to show us that accounting is, in fact, an art. This amendment indicates that there are, in fact, many ways of presenting the accounting story, particularly in the insurance industry, and the bill will try to give some consistency to the presentation of the financial statements of insurance companies. I think we can all be thankful for that because it is not every individual, whether he be an investor or a policyholder, who can pick out the differences in the various shapes of the presentation that are possible at the moment.

I think it is a particularly good idea that the method of writing off expenses will be standardized. It used to be, in the insurance business, that a new insurance company was limited in the amount of business that it could write. On the one hand, most new companies want to do as much business as they can because that is a sign of activity and, usually, profitability. In the case of insurance companies, because of the write-offs that they were required to do, the case was the opposite; the more business they wrote, the more money they lost in the beginning, and they had to wait until the business first on the books had matured and started to produce some revenue before they could carry on and write more business.

It is an illustration that we might compare with the pipeline companies, for instance, or any other manufacturing concern where the initial investment, while it is very large, is set up on the books as a capital asset and is not written off until the revenue is earned. The practice that has been followed in the insurance companies is that the initial expenses of acquiring a business, such as sales commissions, and so on, have been written off, causing early losses on paper.

I note, also, that the proposals in the bill will give insurance companies broader powers in the field of real estate. That may, or may not, be a good thing. I want to examine a few avenues on that score. They have the power now to invest in real estate, subject to certain limitations. The proposals here would make two or three changes. In the first place, the companies would be enabled to invest jointly with other corporations in other real estate projects. I think that is something that would be acceptable—it would spread the risk a little bit.

Secondly, they would be able to invest in any one parcel an amount of 4 per cent instead of 2 per cent, of their total assets. I would like to comment on that in a little more detail because I am not sure that is not one of the areas with which we should be very careful in the House. Legislation such as this is designed to protect the policyholders more than the shareholders, and if these insurance companies, which have vast amounts of dollars to invest but very low shareholder equity, relatively speaking, are enabled to double the amount they can invest in any particular parcel, then the exposure is being doubled to the shareholders—and that is all right—but also to the policyholders because, with the low equity ratio per shareholder, the policyholders are not far behind.

Already the insurance companies have embarked upon practices which I question, and I hope the committee will look at them when the bill gets to committee. That is, they have adopted the practice of buying land for development, and instead of developing it they lease it on a long-term basis to developers. Then the developer needs a mortgage loan, and normally he goes back to the same mortgage company and borrows on the mortgage on the property from the same insurance company. So, in effect, the insurance company has either total, or very nearly total, ownership of that development although it is subject to a leasehold of, usually, 65 years—sometimes longer, and sometimes shorter. There are two objections to that practice. First of all, any loss of equity in a particular project will reflect back on the equity of the shareholders, and if that is not adequate, the loss goes back to the policyholder. The object of the legislation is to protect the policyholders.

The other objection to which we must be alerted is that the insurance companies, by doing this, become the competitors of the ordinary developers and the tendency then, because there are then additional demands made on the purchase price of land, is to inflate the price of land and, once the project is completed, to deflate the rent. Members of the House may say there is no danger in investing in real estate—it is always going up. I would like to remind them of three cases that have been important enough to come to the attention of the House recently involving taxpayers' dollars. They were instances where the government-owned Central Mortgage and Housing Corporation, because of enormous losses in projects, was forced to foreclose and take back possession of these projects. Undoubtedly there will be a tremendous loss—in one case it has already been realized—to the government and, therefore, to the taxpayers.

Those three instances are, first, the Rochdale loan in Toronto which was sold by CMHC at a great loss; second, the Hamilton Place project in Hamilton, Ontario, on which the government has had to commence foreclosure action and nothing has happened to the development for two years and it stands incomplete with something like $7 million or $8 million of taxpayers money invested and earning nothing; and third, right here in Ottawa the Quai d'Orsay which also is under foreclosure by CMHC. So I think that is a danger which we must look at very carefully.

I want to look quickly at the bill. The defintions do not really require any comment. I do not think the minister mentioned the investment by the insurance companies and securities of governments of countries other than Canada and the provinces. I think that when we get into committee we can find out why countries such as Australia and the United Kingdom, to name a couple, are no longer to be allowed as investment securities by insurance companies.

● (1500)

I think the changes in eligibility of common shares are reasonable. Instead of having a complete dividend report every five years, one of the four preceding years can be missed; in other words, four out of five.

There is another matter which I do not think the minister mentioned but which bears some careful consideration. Clause 9 would require certain companies to appoint a valuation actuary. When we get into the committee I think we will find out about that. I suppose the following clause is consequential. It would permit the auditor of a company to rely upon the opinion of the valuation actuary. I am not sure what the present process is, but I think we will have to be very careful with this, particularly because we have had problems with auditors and Crown corporations relying on outside auditors. Complications like that led to the introduction of Bill C-20, the Auditor General legislation, which is presently before the committee.

With those few reservations we on this side are generally in agreement with the proposals before us. We hope this bill will get to the committee quickly and that the committee will give it due consideration.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this 60-page bill is obviously one of such a technical nature that the best place for it to be considered is in the Standing Committee on Finance, Trade and Economic Affairs. We are therefore prepared to vote for the motion to send the bill to that committee for detailed study.

My first look at the bill and my listening to the first words of the minister led me to feel that it was probably a harmless piece of housekeeping, but when he said that Their Honours in the other place found nothing wrong with it, I began to wonder. When the shareholders, the directors and so on, who make up the Committee on Banking, Trade and Commerce in the other place, find nothing wrong with a piece of legislation, the members of the House of Commons who represent the people of this country had better take a good look at it. I trust that will be done.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

* * *

MISCELLANEOUS STATUTE LAW AMENDMENT ACT, 1977

MEASURE TO CORRECT ANOMALIES IN REVISED STATUTES OF CANADA, 1970

Hon. Donald S. Macdonald (for the Minister of Justice) moved that Bill C-53, to correct certain anomalies, inconsistencies, archaisms, errors and other matters of a non-controversial and uncomplicated nature in the Revised Statutes of Canada 1970 and other Acts subsequent to 1970, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Goodale: Mr. Speaker, I rise on a point of order. There have been some discussions about the appropriate way to deal with Bill C-53, and I believe there is general agreement that instead of proceeding in the way set forth in the motion listed on the order paper, we could proceed today in the House to deal with both the second reading and the third reading stages. That, of course, would require a reference of the matter not to the Standing Committee on Justice and Legal Affairs, but instead to the Committee of the Whole House. The Parliamentary Secretary to the Minister of Justice (Mr. Landers) will be seeking the required consent later in the day to deal with this matter in that way, but I believe it is the disposition of the House to proceed in that fashion.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I have no objection to dealing with Bill C-53 in that way, and I have no objection to its being called now, but when the order of business is changed, I wish we could be informed. I was told not more than an hour ago that the next item of business would be Bill C-13, then Bill C-6 and then Bill C-53. The government seems to be all haywire.

Mr. Goodale: Mr. Speaker, I regret that the order of business for this afternoon has been subject to some revision. Indeed, I should have informed the hon. member for Winnipeg North Centre (Mr. Knowles) that the order of business had been changed. I should point out, however, that it was changed in order to assist some hon. members who wanted to participate in the debate on some of the items of business on the order paper today and who could only be here at some times and not at others. It was done solely so that we could convenience hon. members in participating in debates this afternoon. I regret that I was not able to draw that item to the attention of the hon. member.

Mr. Knowles (Winnipeg North Centre): Don't do it again.

Mr. Mike Landers (Parliamentary Secretary to Minister of Justice): Mr. Speaker, unfortunately the Minister of Justice (Mr. Basford) cannot be here today, so I am going to take his place.

We have before us today a bill which presents itself as a unique and innovative vehicle for law reform. It addresses a problem common to all systems of legislation, namely, the existence of minor inconsistencies, anomalies, and other errors which have developed as a result of the process of passing the 400 or 500 statutes currently in operation at the federal level.

The special quality of this bill is, as I have said above, found in the manner in which it has been developed. Some time ago an announcement was made of this process of non-controversial law reform, and concerned members of the public were invited to submit appropriate suggestions to the Department of Justice. In response to this announcement a number of submissions were received from members of the provincial bars, from members of the judiciary, and from individuals whose positions

gave them a working understanding of various acts of parliament. In addition to organizing these suggestions, the Department of Justice also undertook its own study of where this kind of minor change was needed. A draft bill was then prepared, which was given to the Standing Committee on Justice and Legal Affairs for consideration. As befitting the nature of the bill, the valuable contributions of the members of the committee were made and accepted on an entirely non-partisan basis, and the bill before us today is the result of the committee's unanimous agreement. I might add that the committee also endorsed this special process for efficient enactment.

Before completing my remarks, I should emphasize that although this is the first time such a bill has come before parliament, it is our intention to develop an ongoing process for this kind of reform. To that end in the name of the Minister of Justice I again invite interested parties to forward to the department any other possible amendments of this nature.

In conclusion, I simply ask hon. members on all sides of the House to finalize this commitment to this important technique of law reform, and thereby meet our shared responsibility to provide Canadians with the most accurate legislation we can produce.

As the Parliamentary Secretary to the President of the Privy Council (Mr. Goodale) has mentioned, it is my understanding that there would be unanimous consent to deal with all stages of this bill today. I hope unanimous consent will be granted so that Bill C-53 can be referred to the Committee of the Whole House rather than to the Standing Committee on Justice and Legal Affairs.

Some hon. Members: Agreed.

• (1510)

Mr. Walter Baker (Grenville-Carleton): On the last point, Mr. Speaker, I do not know whether a motion can be made that way but if the question were put to the House I want to assure the Parliamentary Secretary to the Minister of Justice (Mr. Landers) that we have no objection to it. I also want to say, on behalf of the opposition, that the government has our commitment with respect to this kind of ongoing review. It is an essential measure particularly with complicated statutes where from time to time drafting errors have occurred which can cause difficulty. I think it is extremely important that this type of ongoing process, a sort of mini in-House law reform, be fostered where it is possible.

I should like to draw attention to another important aspect of this procedure. A draft bill was presented, the subject matter of which went to a committee of the House and, as the parliamentary secretary has said, it received unanimous agreement from all members of the committee with respect to matters which eventually came forward in the form of Bill C-53. I hope the government will keep that very healthy experience in mind and use the training, inclinations, and interests of all members of the House as an input to policy making. In advance of a bill being brought to the House, where partisan positions are sometimes taken, studies could be made of it by all parties so that the hard positions that are sometimes taken can be dealt with and then parliament can go on to consider the difficulties that arise from the principle of the bill. I think this is a very healthy process, and we agree to the proposal made by the parliamentary secretary.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we are quite prepared to give second reading to this bill and to have it dealt with in committee of the whole rather than sending it back to the standing committee. I use the word "back" because even before the bill had been introduced in a formal way, a copy of it was sent to the standing committee so that members could go through it clause by clause.

The only comment I want to make is to take exception to a word that both the Parliamentary Secretary to the Minister of Justice (Mr. Landers) and the hon. member for Grenville-Carleton (Mr. Baker) used. Both referred to this as a form of law reform.

Mr. Baker (Grenville-Carleton): A mini reform.

Mr. Knowles (Winnipeg North Centre): I can assure those two hon. members and the House generally that if a bill of this size had any reform in it we would want to look at it much more closely and carefully than is the case today. As I see it, the bill does precisely what its title suggests. It corrects certain anomalies, inconsistencies, errors and so on. I have gone through it rather carefully hoping that I could find something in it that was far out and might give me a chance to hold it up at least for a few minutes, but I cannot find anything. It seems to be a case of simply correcting a number of errors and updating some phrases in a number of places. Certainly to correct things in this way by what we normally know as an omnibus bill is a reasonable and sensible thing to do.

I hate to think what it would do to our imminent recess if we had a separate bill to correct the changes in each of the different acts referred to in Bill C-53. So because it is what it is, simply a case of correcting errors and updating a few phrases, and since this has been looked at in the Standing Committee on Justice and Legal Affairs which had the subject matter of the bill before it, we are happy to give the bill second reading and send it all the way through this afternoon.

[*Translation*]

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, I would just like to say a few words to associate myself with the remarks made by the previous speakers and point out the relevance of Bill C-53. I would just like to say a few words on the process that brought the House to consider Bill C-53 today. It is indeed rather important since it will probably be passed quite rapidly.

It must be pointed out that the justice committee held many meetings precisely to consider the clauses, the contents and the substance of Bill C-53 when it was not yet in the form of a bill but rather in the form of a study paper, and that the justice committee through all members and the representatives of all parties carefully made sure that no section, amendment or

correction to the anomalies set out amounted to a change in substance or in form. They were only corrections. As I say, that study was carried out carefully, and that is why we have before us today a bill which is not expected to run into any opposition. That is I think an important addition to parliamentary procedures, an addition which is welcomed and which will enable us to update on a regular basis bills which, because of the very complexity of government legislation today, may contain printing errors or other discrepancies. I think it is normal that we should now make provision for a mechanism such as this which will allow us on a regular basis to correct those anomalies and have a set of statutes that will hold up and will not be challenged eventually before the courts on futile grounds. So I too join with my colleagues and I point out that this new procedure now seems to have been ratified by the House today and will in future allow us to have properly drafted and readily understandable legislation.

[*English*]

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

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): Mr. Macdonald (Rosedale) (for the Minister of Justice) moves that Bill C-53, to correct certain anomalies, inconsistencies, archaisms, errors and other matters of a non-controversial and uncomplicated nature in the Revised Statutes of Canada 1970 and other acts subsequent to 1970, be read the second time and referred to committee of the whole.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and and the House went into committee thereon, Mr. Ethier in the chair.

Clauses 2 to 9 inclusive agreed to.

On Clause 10.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I do not rise for the purpose of slowing down the process although we are going at lightning speed, but in case anybody reads *Hansard* and wonders what kinds of changes we are agreeing to in such great haste, Clauses 10 and 12 are good examples.

● (1520)

Clause 10 provides an amendment to the Copyright Act by striking out the words "4th day of June 1921"—I remember that date quite well—and substituting therefor the words "1st day of January, 1924." The explanation is that the date of Royal Assent rather than the date of proclamation got inserted in the act by mistake. What puzzles me is that nobody seems to have discovered this error until now. In any case, it is being corrected.

Clause 12 would make a change in the Diplomatic Immunities (Commonwealth Countries) Act, by changing the word "Ceylon", as it appears now, to the words "Sri Lanka", which is the changed name of that country. This shows that the changes we are agreeing to are to put right errors; they are simply corrections. This is not a matter of massive law reform.

Mr. Macdonald (Rosedale): Mr. Speaker, while we are correcting errors, may I point out an error in clause 12 of the bill as now printed. I suggest that the clause should speak of the United Kingdom rather than the "United Kigdom". I think we might correct that.

The Assistant Deputy Chairman: Shall clause 10 carry?

Some hon. Members: Agreed.

Clause 10 agreed to.

Clause 11 agreed to.

On clause 12.

Mr. Macdonald (Rosedale): Mr. Chairman, I move that the word "Kigdom" be deleted from clause 12, line 35 on page 5 of the bill, and the word "Kingdom" be substituted therefor.

Amendment agreed to.

Clause 12, as amended, agreed to.

Clauses 13 to 17 inclusive agreed to.

On clause 18.

Mr. Towers: Mr. Chairman, clause 18 defines a food animal as a, "bovine, swine, horse, sheep, goat—" etc. The amendment would also add whale, bison, domestic rabbit, deer, elk, moose or bird. The change which interests me is the word "bovine". Perhaps there is some reason for including that word. According to the Oxford Dictionary, bovine means of or like an ox, inert and dull. It seems to me that such a definition might have been current at the turn of the century. I wonder why we are reverting to the vocabulary of an earlier period?

Mr. Knowles (Winnipeg North Centre): It depends on whose ox is being gored.

Mr. Landers: Mr. Chairman, I can only assume that word was included in order to be all encompassing. I am afraid I cannot answer the question. I am not familiar with the technicalities of the clause, but I will undertake to see that the hon. member gets an all-encompassing answer.

The Assistant Deputy Chairman: Shall clause 18 carry?

Some hon. Members: Agreed.

Clause 18 agreed to.

Clause 19 to 48 inclusive agreed to.

On clause 49.

[*Translation*]

Mr. Lachance: I want to point out at this stage, Mr. Chairman, because we have come to the last clause, that if it may seem somewhat strange that we should go through 49 clauses in five minutes it is because all those clauses were

previously considered in detail by the Committee on Justice and Legal Affairs.

[*English*]

The Assistant Deputy Chairman: Shall clause 49 carry?

Some hon. Members: Agreed.

Clause 49 agreed to.

Schedule 1 agreed to.

Schedule 2 agreed to.

Clause 1 agreed to.

Title agreed to.

The Assistant Deputy Chairman: Shall I report the bill?

Mr. Knowles (Winnipeg North Centre): You forgot the preamble.

Preamble agreed to.

Bill reported.

The Acting Speaker (Mr. Ethier): When shall the bill be read the third time?

Mr. Knowles (Winnipeg North Centre): By leave, now.

Mr. Roberts (for the Minister of Justice) moved the third reading of the bill.

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

* * *

DIPLOMATIC AND CONSULAR PRIVILEGES AND IMMUNITIES ACT

MEASURE TO ESTABLISH IMMUNITIES AND PRIVILEGES

Hon. John Roberts (for the Secretary of State for External Affairs) moved that Bill C-6, respecting Diplomatic and Consular Privileges and Immunities in Canada, be read the second time and referred to the Standing Committee on External Affairs and National Defence.

He said: Mr. Speaker, having first entered the public service 15 years ago as a member of the Department of External Affairs, it gives me nostalgic pleasure to present this bill to the House on behalf of my colleague, the Secretary of State for External Affairs (Mr. Jamieson).

● (1530)

The purpose of the legislation is relatively simple and I think I can explain its essential nature very easily. It gives the effect of statute law to two international conventions—the Convention of Vienna of 1961 and the Convention of Vienna of 1963. The first is a convention with regard to diplomatic relations and the second is a convention with regard to consular relations. The legislation places the existing and customary international law on a statutory basis within Canada. In other words, the provisions which this law places in statute form are already binding on the government as the common law standards of international law. In a sense what we are doing is codifying the existing situation and to some extent elaborating it in greater detail. It will make more specific the existing obligations placed upon the government by virtue of its membership in the international community.

I can assure hon. members that this legislation gives no greater immunity or no more privileges to diplomatic or consular officials than they hold at the present time. It will, however, make it easier for Canada to apply present standards of international law since the material will now be easily available to those who need it in a definitive form. The legislation, then, is not very controversial and I hope hon. members will expedite its passage to committee.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, just because this is a Friday afternoon and an occasion on which a good deal of business is being transacted does not seem to me a reason why a bill having certain implications should be quickly handled, particularly when the opening statement by the minister is more significant for what it has omitted than for what it has contained.

I wish to spend a few moments discussing the bill. I ask myself: why has it been brought forward at this time? It is true, as the minister has told us, that the bill presents us with nothing new, to the extent that the Vienna Conventions of 1961 and 1963 have been adhered to by Canada as well as by most of the other nations of the world, and that what is now codified in the measure before us does not in any way change the rights or immunities which our diplomats in other countries enjoy or which we ourselves extend to diplomats who come to Canada. The purpose of the bill is to put into statute form certain of the articles in the two Vienna Conventions. I believe we ought to ask ourselves, when the bill goes before the committee, why certain other articles in those treaties have been excluded.

As the minister pointed out, these Conventions reflect the principles of customary international law with respect to diplomatic and consular immunities and privileges. Because the privilege and immunities embodied in the Conventions have the force of international law they also have the force of common law in Canada to the extent the common law incorporates international law. Therefore, while the provisions of the Conventions do not have the force of statute law, a court would probably refer to them for guidance as to what is the customary diplomatic practice. The question which arises, however, is this: if the Vienna Conventions are already incorporated into Canadian law via the common law, why give certain of their articles the force of statute law?

I believe the bill really has its origin in the fact that the government of Quebec brought before the national assembly of that province in 1974 a bill dealing with the privileges and immunities of diplomatic and consular officials in that province, a bill which contained articles quite different from the principles embodied in the Vienna Conventions and one which was, in the opinion of federal government lawyers, outside the competence of the Quebec government. Quebec was duly

informed of this and a series of meetings was held on the subject between representatives of the two governments, the last one taking place early this year. The genesis of the bill before us lies, I suggest, in the action which was taken by Quebec.

As it happened, the legislation was not proceeded with following the election of a new government in Quebec which has not yet seen fit to seek legislative enactment of the provisions of the former bill. I believe this move on the part of Quebec caused the federal government to think seriously about this subject and it has apparently decided it would be highly desirable, if not necessary, to embody these diplomatic privileges and immunities in statute law as has been done in other common law countries.

Since the legislation does not represent a departure from previous practice there is no ground for our party objecting to it or delaying it. However, I do believe that certain questions as to the origins of the measure and the reason for bringing it forward at this time should be properly answered, hopefully in this Chamber before the conclusion of second reading or, if not, certainly at the committee stage. The legislation has a desirable consequence in that it states clearly and unequivocally the nature of the diplomatic immunities and privileges which Canada grants, and also the circumstances in which they may be suspended, revoked or reinstated.

The first question which needs to be asked is why certain articles in the Vienna Conventions have been left out. We have chosen to distinguish between those articles which establish rights and obligations between governments and which therefore do not require the force of law for implementation, and those articles which affect the rights of private persons in Canada or afford special privileges and immunities and which therefore do require the force of law for implementation. With this in mind, it is clear why certain articles were selected for inclusion while others were excluded, with the possible exception of Article 26 of the diplomatic convention which promises freedom of movement and travel anywhere in Canada, except for zones entering into which is restricted or regulated for reasons of national security.

● (1540)

This article was excluded from the list of articles to be incorporated into statute law. I think this raises a fundamental question which the minister should explain to us, even on second reading. According to external affairs, persons in Canada already have freedom to move in public places, and as this article neither affects this right nor specifies immunities or privileges, its inclusion was not considered to be necessary.

I think a fuller explanation is required, for members of some diplomatic missions do in fact have their freedom of movement limited. For example, we know that Soviet diplomats as well as Chinese diplomats in our city are restricted to an area within a certain radius of Ottawa. I think we might ask by what means these restrictions are imposed under present circumstances, and which diplomatic missions are so affected. Are these restrictions to be regarded as a permanent feature of diplomatic relations between Canada and these other countries?

In other words, while it is true that Article 26 does not establish a privilege or an immunity, it is equally true that some diplomats do not enjoy normal freedom of movement in Canada. What we are seeking, therefore, is to establish why the principle of freedom of movement should not be included in the new statute.

Of course, Mr. Speaker, restriction of movement of foreign diplomats in Canada is a counter measure imposed by the Canadian government because the movement of Canadian diplomats in certain foreign countries is restricted. In essence, it is a tit for tat arrangement. Certain diplomats of various ranks from a foreign embassy are permitted to go a certain number of miles, which is all worked out on a sort of slide rule basis. I would only say that, as nations are coming closer together in a new kind of world which has grown up since the time the Vienna Conventions were first passed, more attention should be given on a universal basis to increasing all freedom of movement of diplomats in the countries to which they are properly accredited.

In saying that I am thinking, for example, of the restrictions which Canadian diplomats face in China, a country which I visited not so long ago, a reflection of which we find in today's *Globe and Mail*, in which a scientific team tells us about the effects of the recent earthquake in China which are only now coming to light because foreign diplomats and media personnel were not able to travel to the areas of China which suffered severely from the recent earthquake. Consequently the world at large had not realized the seriousness of the earthquake which struck China. Various measures of aid and assistance were withheld simply for lack of information. When I was in China Canadian authorities pointed out to me that they themselves could do a better job of reflecting the fullness of development inside China were they themselves able to travel more widely.

The same is true of Chinese diplomats who are accredited to Canada. The very idea that special permission is required for ranking members of the Chinese delegation in Ottawa to go out to the west coast or to my own province of Alberta is anathema to me, in the kind of world in which we live. Therefore I think it behooves the Canadian government to make an effort to increase the travel rights of all diplomats in nations to which they are accredited.

I move from considerations of travel to the final point that I want to make in my brief intervention. I refer to abuses of diplomatic privileges. I am going to say a word about Canada but I think I ought to put the matter in proper perspective. We read in a recent issue, March, 1977, *The Economist* of London that lawlessness is on the increase in Britain, if for no other reason than that the diplomatic community in London increasingly treats yellow lines in the streets as a bit of decoration to brighten the place up. The 32,000 parking tickets which were given to foreign diplomats in London in 1972 had grown last year to 93,000. The article gives a rather impressive list of

countries of the world which were ignoring traffic regulations in London.

We can now insert into the picture the Canadian experience. In 1975 some 5,516 foreign diplomats were accused of breaking Canadian laws but, of course, were not charged because they invoked diplomatic immunity. This is a situation which merits attention. The matter has been brought up in the House. Various spokesmen for the Department of External Affairs point out each time it is brought up that foreign diplomats ought to look to themselves to improve their record in the country which has received them, at the same time pointing out that when Canadian diplomats go abroad they are expected to respect the laws of the country which receives them, including the traffic laws. I dare say that any Canadian diplomat who ran up a record of traffic offences in the country which received him would not long be representing Canada. I think there is something out of balance here in the way that we tolerate such excessive violations of our laws under the guise of diplomatic immunity.

I have put on the record the 1975 figures. Let me give the 1976 figures for the city of Ottawa alone, which of course has the most diplomats in Canada. There were 4,788 traffic tickets issued to members of the diplomatic community in 1976. No charges were laid in connection with 13 traffic accidents and 82 traffic violations because diplomatic immunity was involved.

I think the external affairs department ought to be explaining in what way abuses of diplomatic status can be cut down. The country on the list with the highest number of infringements of Canadian law in which diplomatic immunity has been pleaded is Uganda, which topped the list of 1976 violations with 611.

Mr. Prud'homme: That is typical.

Mr. Roche: It certainly is unacceptable, and I think it is also somewhat mysterious in view of the fact that there are only five accredited Ugandan diplomats in our city. This seems to suggest a gross violation of our laws by Ugandans, and I think it is time this country took some action.

In speaking of Uganda in terms of diplomatic immunity and the rights which representatives of countries have in other countries, all of which are encompassed in this bill, and at the same time considering the opening preamble to the Vienna Convention which talks of the promotion of friendly relations among nations, the principles of the United Nations and so on, I cannot conclude my remarks without insisting once more that we should seriously consider whether we should give hospitality to President Idi Amin of Uganda who stands a chance of getting into this country when the Commonwealth Games are held. I believe that the government ought to make very clear that we consider diplomatic niceties go only so far, that in the case of President Amin of Uganda no diplomatic niceties or courtesies will be extended, especially in light of the report of the International Commission of Jurists, a body which Ambassador Beaulne of Canada has said is beyond reproach.

The International Commission of Jurists has reported to the United Nations, in a 130 page report, that 100,000 people have been murdered in the six years of Amin's administration. Therefore I think it is time for Canada to make very clear the limits of our tolerance.

I end with a quotation from the London *Times* concerning the report of the International Commission of Jurists. I refer to a quote from the Archbishop of Uganda who was murdered a few weeks ago in that country:

> From the Archbishop to his own wife, President Amin knows no mercy. He kills, causes to be killed, presides over a growing apparatus for killing . . .

● (1550)

> The Organization of African Unity ignores the matter . . . The African states protect Amin from criticism in the United Nations. The United Nations Human Rights Commission is quite active in respect of South Africa, Chile and some other countries which its membership agree are inhumanely oppressive regimes. For the Human Rights Commission to live up to its title for a strong resolution, white men have to torment and debase black men or right wing secret police have to maltreat liberals or leftists. No other abrogation of human rights seems to produce any protest. In short, the Human Rights Commission has little or nothing to do with rights, justice or human conscience. It is, or has become, a political and propaganda body. It makes a mockery of human rights, as solemnly written into international conventions.

I conclude my comments on Bill C-6, bearing in mind that I think it is proper to raise a question as to the origin of the bill, to consider the travel restrictions, to talk about the abuses, and to focus once more on the special problem that Uganda presents to the diplomatic community today.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the main purpose of this bill is made clear in the fact that it will repeal the Diplomatic Immunities (Commonwealth Countries) Act and replace it by the Diplomatic and Consular Privileges and Immunities Act. In other words, it proposes to broaden things to deal not only with diplomats but with consular representatives, and that applies both ways. There is also the question of giving a certain status to the two Vienna Conventions. This is a step we should be taking.

The bill, with its schedules, is a complicated one which should be studied carefully in the Standing Committee on External Affairs and National Defence. The smart thing to do this afternoon is to send the bill to that committee. I am sure the points raised by the last speaker, particularly with respect to the abuse of immunities, will be dealt with in that committee. The members, generally, will go into this bill and all its provisions very carefully. We are happy to see the bill get second reading and be sent to committee this afternoon.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I intended to take part in this debate but we are doing so well with the business of the House today that this bill, which should probably have been taken up next week, is now being referred to our Standing Committee on External Affairs and National Defence. I shall chair that Committee. To speed up the business of the House, I would therefore prefer to keep my remarks for the time when we study bills in that committee.

That is why I choose to bring an end to my remarks without further delay.

[*English*]

The Acting Speaker (Mr. Ethier): Order, please. Is the House ready for the question?

Some hon. Members: Question.

Motion agreed to, bill read the second time and referred to the Standing Committee on External Affairs and National Defence.

* * *

BUSINESS OF THE HOUSE

Mr. Goodale: Mr. Speaker, in view of the hour, and in view of the good progress we have been able to make in the House this afternoon, rather than beginning the other item of business which we had noted for this afternoon, the Historic Sites and Monuments Act, it might be wise to call it four o'clock and to proceed with private members' business at this time, if the House is in agreement.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we are prepared to agree to calling it four o'clock right away. But before we do so, I wonder if I could raise a point of order with the parliamentary secretary on the question of Monday's business. If he hears me refer to something I have referred to 40 times, I ask him not to laugh at it. I am making the point very seriously. Monday is a long day. We will sit from eleven to one, two to six, and eight to 10.30 p.m. The amount of government business slated for that day is so slim that we could well finish it in the morning session. All we have slated is Bill C-13, and the parliamentary secretary has mentioned Bills C-36 and C-40 to me. Therefore I ask the parliamentary secretary to make the strongest representations he can to his government House leader, and I ask the ministers present to do so as well, that Bill C-30 be brought forward for debate on Monday. That is the bill which has to do with Heritage Day and with the name of July 1.

The government is scraping the barrel because most of the legislation we have to deal with before the summer is still out in committees. Let's not find ourselves adjourning on Monday at one o'clock with nothing to do for the rest of the day, when it would be possible to deal with Bill C-30. I do not expect the parliamentary secretary to say "yes" to me because his authority is too limited. But I ask him and the Secretary of State (Mr. Roberts), who is also present, to make the strongest possible representations in order that that legislation will be brought on this Monday.

Some hon. Members: Hear, hear!

Mr. Andre: Mr. Speaker, in view of the representations made by the hon. member for Winnipeg North Centre (Mr. Knowles), and in order that the parliamentary secretary and the government House leader have an accurate picture of the situation, I would not consider it wise to assume that the advice given to him would necessarily expedite the efficient conduct of business in the House.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Let's find out.

Mr. Goodale: Mr. Speaker, as the hon. member for Winnipeg North Centre (Mr. Knowles) has noted, we do have Bill C-13 remaining from today's work, the bill dealing with historic sites. It would be our intention to proceed with that item as the first item of business on Monday. As to the order of business later in the day, there have been some discussions with respect to two transportation items, Bills C-36 and C-40, although no conclusions have been arrived at with respect to those two items. However, it might be useful if hon. members could direct their attention to them in case they do come before the House on Monday or later next week.

As far as the specific representation with respect to Bill C-30 is concerned, the Secretary of State (Mr. Roberts) is present, and I am sure he and I will convey those representations to the government House leader, as well as the reservation or the caveat which was filed by the hon. member for Calgary Centre (Mr. Andre).

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

PRIVATE MEMBERS' MOTIONS

The Acting Speaker (Mr. Ethier): Notice of motion No. 16, in the name of the hon. member for Scarborough West (Mr. Martin). Shall the motion stand, at the request of the government?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Notice of motion No. 17, in the name of the hon. member for Hamilton West (Mr. Alexander). Shall the motion stand, at the request of the government?

Some hon. Members: Agreed.

* * *

TRANSPORT

SUGGESTED NATIONAL CAMPAIGN TO PROMOTE HIGHWAY SAFETY

Mr. Sean O'Sullivan (Hamilton-Wentworth) moved:

That, in the opinion of this House, the government should initiate, in co-operation with provincial governments and appropriate organizations, a na-

tional campaign to promote driving safety throughout Canada in the interest of preservation of human life and courtesy among the driving public.

He said: Mr. Speaker, this week all hon. members of this House welcomed to this Chamber the six victors in the recent federal by-elections. Naturally not all of us were as pleased as they themselves or their respective parties must have been at those victories. Nevertheless, we all congratulate them, welcome them, and wish them well in their parliamentary careers.

Four of those members are new to this House and they will experience the unique feeling, or set of feelings, that only those who sit in this Chamber can possibly know. To sit in the House of Commons of Canada, knowing the confidence placed in you by your respective constituents, knowing of their high hopes and aspirations for our country, is to feel a very special bond with each and every Canadian citizen, and a heartfelt obligation to our wonderful country.

● (1600)

Every time that an hon. member rises to speak in this House, he is mindful of the tremendous privilege which has been given to him. I am certainly cognizant of that privilege every time I sit in this Chamber, especially when I have an opportunity to place before the House some thoughts of special concern to the people of Hamilton-Wentworth and, hopefully, to the people of Canada.

Therefore I appreciate the time and indulgence of the House in being here today and speaking very briefly in support of the motion which I have chosen as my one private member's motion of this session. Perhaps a word of background is in order.

During the last parliament I placed the very same motion before the consideration of this House, on April 29, 1974. Its fate was the one which seems to be common practice in this House, although I am happy to say it is a practice that seems to be growing less frequent, that is, the motion was debated until the allotted time had expired, and therefore no action was taken on the part of the government by virtue of a direction from this House, such as passage of the motion would have given.

During the debate, however, my friend, the hon. member for Winnipeg North Centre (Mr. Knowles), spoke very briefly and said at that time, and I quote:

Regardless of what happens to the present motion raised in today's private members' hour, the hon. member for Hamilton-Wentworth has done a service by raising the issue. I join with him in calling for doubled and redoubled effort in all ways that can cut down the loss of life on our highways. I say to the hon. member that he has done well to raise this issue. I call on him to stick with it.

Those words of the hon. member for Winnipeg North Centre meant a great deal to me, coming as they did from a gentleman who is recognized as one of the leading figures in this House. Obviously he and I have had our political disagreements, and continue to hold some very fundamental differences of opinion both in matters pertaining to political philosophy, current policies, and perhaps approaches to political life. But I have a respect for the hon. member which I believe to be shared in all parts of this House, and his comments to me during that last parliament, my first term in office, were a source of great encouragement and were very deeply appreciated. In this instance I am very happy indeed to take his advice. Moreover, the situation facing Canadians today in the matter of highway safety, driving safety generally, and courtesy on the roads still demands and commands the attention of the elected representatives of the Canadian people.

The motion is in many ways self-explanatory and does not require a great deal of elaboration beyond what it states quite simply. I call upon the federal government to initiate immediately, in co-operation with the provincial governments and appropriate organizations, a national campaign to promote driving safety throughout Canada in the interests of preservation of human life and courtesy among the driving public.

This is not to suggest that I should like to impose upon provincial governments a policy formulated here in Ottawa in an area which is clearly under the jurisdiction of those governments. The intent of this motion is, instead, to bring together the expertise which the provinces and the various safety-minded organizations in Canada have gathered through their own studies and research and driving safety campaigns. Quite simply, I want us to think as a nation in promoting driving safety, in combating the carnage on our highways. I believe that the Canadian people should have placed at their disposal the evidence and experience gained across the country so that we might benefit as a nation. I should just like to cite a couple of examples.

In 1975 the Ontario ministry of transportation and communications published "The Human Collision", which noted in part that during 1973 there were nearly 100,000 people injured and 2,000 killed in traffic accidents in Ontario. Serious accidents are especially frequent among younger people. For people under the age of 35, traffic accidents are responsible for more deaths than any disease and for more deaths than all other accidents combined. The booklet containing this information was prepared by the research and development division of the provincial ministry of transportation. The very existence of this division endorses my motion. It is but one agency studying traffic safety problems in one province. No doubt its aims and functions are duplicated over and over again. It is time to bring all that expertise together and, moreover, to present the details of the combined knowledge and research to the Canadian people.

Similarly, in 1974 the then minister of health and social development for Alberta established a task force on highway accidents and suicides. The Honourable Neil Crawford, who continues to have a distinguished career in provincial politics, belongs to a special fraternity of Canadians who have participated actively in the public life of Canada at various levels, having first gained their training in close association with one of the acknowledged masters of Canadian political life. I refer to those whose careers have included service as assistants on Parliament Hill to the right hon. member for Prince Albert (Mr. Diefenbaker). That special fraternity includes people as distinguished as Tom Van Dusen, Greg Guthrie, Lee Richard-

son, and most recently, Keith Martin, to name just a few of the prominent members of that group.

The document, or report, in 1974 to which I referred, was a concise and well-written document. There were a couple of points in it I thought noteworthy to the debate before us. The committee reported that they had assembled a collection of the world literature in their areas of interest and had accumulated a very large number of reference articles in both fields. I think it significant that this committee studying highway accidents should refer to world literature. It is a universal problem, and it seems to me that the important goal of protecting and saving human lives should encourage us to look beyond our limited borders, be they provincial or even national, to take full advantage of the experience of others.

This same interim report referred to a national roadside survey "which had been carried out in many Canadian provinces and which might serve as an opportunity for providing uniform information across the country". And the committee went on to say:

> We feel that anything we could do to co-operate with the provinces and the Ministry of Transport to obtain information about situations on the highway would be worth while.

That we lack effective co-ordination of traffic procedures is clear. One need only look at the prevailing speed limits and statutes regulating seat belt legislation throughout the provinces as easy examples. The speeds vary, as do regulations pertaining to the wearing of seat belts. I do not wish to have this House, as I said earlier, impose its will upon provinces in an area under provincial jurisdiction, but we all share this common aim and goal of protecting the well-being and safety of Canadians. It falls to the federal government to take the initiative, to bring the provinces together, and to ensure that all Canadians benefit from the experience of individual provinces as well as from the expertise of safety minded organizations.

It would be improper on my part to suggest that no action has been taken in this area. In the same year that I first brought this motion to the attention of the House, the first meeting was held here in Ottawa of the officials participating in the federal-provincial co-operative road safety program. Its goal was to reduce the national road fatality rate by 15 per cent over five years. Just this past week a press release from Transport Canada arrived on my desk and I was delighted to note that in the period 1973 to 1976, a 30 per cent decrease in the national road fatality rate was reported at the most recent meeting of these same federal and provincial road safety officials. It is especially encouraging to quote some of the remarks contained in that press release. For example it states:

● (1610)

> The number of highway fatalities in Canada dropped from 6,703 in 1973, an all time high, to 5,262 in 1976. This represents a decrease in the road fatality rate from 6.7 fatalities per million vehicle miles to 4.7, a 30 per cent reduction.
>
> This downward trend in the number of fatalities, the first ever recorded in Canada's motoring history, occurred when the number of vehicles and the amount of travel on Canadian highways was increasing.
>
> The federal and provincial representatives recognized that the decrease has likely been influenced by changes in economic and social conditions in recent years, as well as by various federal and provincial measures under the co-operative program.

Nothing could have pleased me more than to read that information from Transport Canada, and I wish to take this opportunity to express, I am confident, on behalf of all members of this House, and all drivers in Canada, deep-felt appreciation to those responsible for bringing about this federal-provincial co-operative road safety program, and for the co-operation obviously extended in its tremendous success. It has brought us closer to our goal, but we are still 5,206 human lives away from our ultimate goal and aim, and many tens of thousands of human injuries away.

Looking ahead, therefore, I want the House, through my motion, to commend and endorse this program so strongly that it will continue, and will be given the fullest possible support by this government and by all provincial governments and safety-minded agencies so that the co-operative program will continue in the coming years, as has been promised.

What sort of national campaign do I want to see brought about? I shall leave the details to those far better versed than I in this special area. But I think that any campaign of promoting driving courtesy, which ultimately results in greater safety on the roads, must, to be successful, be a joint venture that has the support of Canadian governments at all levels, and one that is realistic in its approach to the problem.

We are all aware that the dangers on the road are especially severe in so far as young people are concerned, and statistics indicate that young male drivers are the most frequent victims. Any national campaign to promote driving safety would be off to a good start if it heeded the advice of Mr. J. Lorne McDougall, a former professor and member of the city council of Kingston, who wrote an article published in the Calgary *Herald* on March 3, 1977. He contrasted the traditional approach of promoting driving safety with the one which he believes, and I share his view, would have much greater success. I quote Mr. McDougall:

> The well-intentioned old want to save young men from themselves. If they are to be successful, they must learn to invite co-operation, and win it, or they will get nowhere.
>
> Maybe it would help if they would start by trying to state the positive values they wish the young to adopt. They might even learn something about themselves if they would do so.
>
> Forget the prohibitions; they get nowhere. Try being positive.
>
> See if you can promote respect for life (including one's own), courtesy, and consideration for the right of others.
>
> From there it is a small step to asking the young to grow in self-respect, and once that point is made, many good things may follow.
>
> Speak with the voice of force and compulsion and you will speak to deaf ears.
>
> Invite a discussion of the moral problem and young men may hear you.

That is wise advice form Mr. McDougall which I commend to all officials should they decide to accept the challenge that I hope this House will endorse, of bringing about a great national campaign, supported by governments at all levels, to promote driving safety and courtesy.

It is only natural, Mr. Speaker, that I would be grateful if this House should decide to endorse my motion.

I have already taken note of, and expressed commendation for, the actions already taken by both federal and provincial officials in this field. The adoption of my resolution today would, in my opinion, serve the useful purpose of encouraging those officials to continue and expand their efforts.

The purpose of this motion is quite simple. We, as members of parliament, are sent here by the Canadian people to preserve their freedoms and protect their rights. The most basic right is that of life itself. That is why I introduced this motion in the last parliament and have now brought it forward again at this time. Much has been done. But, as the families of traffic victims will attest, there is much that remains for all of us to do. The protection of this very basic right, the right to life, is surely one of the greatest concerns and one of the highest causes to which a member of parliament can devote whatever time he or she may be privileged to serve in this House.

Many hon. members have, in their own way, advanced and defended this great right, this basic right, of all the Canadian people. I think, for example, that by her courageous action the hon. member for York South (Mrs. Appolloni) has taken great political risks, especially in standing up to very powerful figures within her own party, in her own very dedicated efforts to advance the preservation and protection of human life at all its stages. I cite her as an example of outstanding dedication and moral courage to those new members to whom I referred earlier, and who have joined us in this Chamber in this House of Commons this past week.

As one who came to parliament in 1972, with the same high hopes and the same aspirations as, no doubt, the new members bring, I want to pass along this brief word of advice. Nothing could honour their careers in this place more that to take an active role, whenever the opportunity arises, in advancing the cause of the most basic right and freedom of every Canadian, the right to life.

Perhaps all of us who sit in this House, regardless of the seniority or official opposition given to us, might reflect upon this essential duty of every member of parliament. In thinking about it, in thinking about our duties and reflecting upon our role as the elected representatives of the people of Canada, I recalled a letter which I received in 1966 when I was 14 years old, a student in Hamilton, and very much interested in policital life. I had already been a member of the Progressive Conservative party for two years, having since the age of 12 taken an active part in politics at various levels. I am mindful of the very special opportunities which have been given to me and am deeply grateful to that party and to the people who have made all of them possible. I think of the unique experience which has been mine, such as twice being elected from Hamilton-Wentworth under the leadership of the hon. member for Halifax (Mr. Stanfield).

I think, as well, that now I am serving in this House, at a time probably more exciting and important than any time in our history, with the possible exception of Confederation, under the leadership of the dedicated Leader of the Opposition (Mr. Clark), with whom I entered parliament in 1972, and whose compassion, concern, and qualities of leadership are known to all in this House. Moreover, I reflect upon the wonderful experience which was mine prior to election to parliament in serving as executive assistant to the right hon. member for Prince Albert, the person who brought me into political life.

The words which he spoke in this House, and which were contained in his letter to me dated April 4, 1976, reflect an attitude of parliament that I believe would be shared by both party leaders whom I have just mentioned, and with whom I share an esteem for the Dean of this House. Although it is not my practice to make public use of personal correspondence, I believe that he would not mind being quoted in that letter which reads in part as follows:

> I was interested in your comment on the recent events in parliament, and I am sure that you will be in full agreement with the words I used during the debate to which you refer:
>
> "Mr. Speaker, this institution must not fail. Without it there is no freedom. We are here today not only as the custodians of the present and inheritors of the past but, Mr. Speaker, we are as well the hope of this institution's future. Let us get to work on the many issues facing Canada today."

● (1620)

It is signed, of course, by the right hon. member for Prince Albert. I fully agree with those comments. I hope all hon. members will take them to heart as we pause to recall what a tremendous honour and privilege it is to serve the Canadian people in this House of Commons, and especially to work with people such as the right hon. member.

I am grateful to the House for the time given to me to present this motion, and at this time I too say in a non-partisan spirit, starting with this motion of vital importance concerning human life, this institution must not fail. Let us get to work on the many issues facing Canada today.

Some hon. Members: Hear, hear!

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I congratulate the hon. member for Hamilton-Wentworth (Mr. O'Sullivan) for proposing the motion we are dealing with today, and particularly for the very excellent speech he just gave to the House. Every time he speaks I enjoy listening to him. Whether I agree with him or not, I appreciate the sincerity with which he delivers his speeches, and also his ability. I think he makes a real contribution to the Parliament of Canada.

The hon. member has proposed this motion previously, and I agree with him that those who succeed with points of view in this House are those who raise them often and speak to them strongly. Perhaps by doing that the hon. member will achieve his objective.

Surely all hon. members share the concern of the hon. member. In 1973 traffic fatalities reached an all-time high of well over 6,700 people, which is very high when it is considered as a percentage of the Canadian population. Early in 1974 a joint statement released by the federal and provincial ministers

responsible for road safety and motor vehicle administration indicated the intention of those ministers to increase safety efforts and to establish a five-year program to improve the road safety situation.

A target reduction of 15 per cent in the traffic fatality rate by 1979 was set. In view of the rapidly increasing number of cars on the road those ministers were very optimistic to think that they could achieve such a goal, but I am pleased to report, as did the previous speaker, that not only has that goal been met, but it has actually been exceeded. In a statement which was issued recently by Transport Canada—I believe last week following the most recent series of meetings of senior officials from the 11 governments—it was noted that fatalities had fallen from 5,262 to a rate of 4.7 fatalities per 100 million vehicle miles driven. This represents a decrease in the fatality rate of 30 per cent since 1973. I do not think any one person or group can take most of the credit; that credit should be shared amongst the many people who have been concerned about this problem and who have done something about it.

Many factors have been involved, not the least of which, I suggest, was the emergence of the energy situation. Perhaps people are now driving fewer miles per person than they were previously, and hopefully they are driving the miles they do drive at a lower rate of speed in an effort not only to reduce the number of deaths on our highways but also to achieve greater energy efficiency from their cars.

The same statement identified a number of measures which have contributed to this decrease, in addition to those I mentioned. Improved seat belts and increased public awareness of the benefits of them have contributed to the decrease. Two provinces have passed legislation requiring the use of seat belts. I think that has been an important factor. Certainly in the late model cars I have driven the seat belts are much more comfortable and more convenient than those used in the past. In my own case, I use them much more than I did previously because seat belts in the past were neither convenient nor particularly comfortable.

I have heard comments from a number of women suggesting that the seat belts in older cars are very uncomfortable for them to use. I think the improvement in the design has meant that many more travelling Canadians now use seat belts. That has obviously contributed to the better road safety record we now enjoy.

We now have stiffer penalties in the Criminal Code for impaired driving. Some of those penalties have been debated in this House during the life of this parliament. Speed limits have been reduced in several provinces. That has been beneficial, but certainly not to the degree it could be. The lowering of the speed limits coincided with concern about energy supplies, yet when one travels on our highways the fact that the speed limits have been reduced is not terribly apparent.

That is not the impression one gets when travelling in the United States. Where speed limits are 55 miles an hour in the United States, that is the rate of speed of most of the traffic. I suggest that on many of the highways in Canada the majority of drivers exceed the speed limit, and a great deal of highway safety could be achieved by an even more rigorous policing of our reduced speed limits.

There has been a systematic removal of road hazards and continued improvement in highway design. I was driving on quite an old highway last week, and I thought about how safe our newer highways are in comparison. That is perhaps one of the things we often overlook. The highways in many parts of Canada have wide shoulders and fairly well designed and banked turns. There are adequate signs to indicate hazards and so on, and perhaps all those things have been very effective as well. Many organizations have initiated programs which weigh on the consciences of people, and that has been effective. I have been impressed by television advertising, particularly that of the Ministry of Transport, in relation to impaired driving. Those advertisements are perhaps the most effective I have seen with regard to almost anything, and perhaps that message is slowly getting across.

As a result of the efforts of the Canadian Safety Council, the automobile industry and the provinces, there has been a good deal of promotional material on the safer use of motor vehicles and also on the training of people who use them. Being an engineer, I am interested in design, and while many people complain that we do not build cars the way we used to, perhaps from a safety point of view it is a good thing we do not because new cars today are certainly much safer than those which were built 10, 12 or 15 years ago. I think that public concern that automobiles are built safely is demonstrated by the number of recalls which take place. It takes very little concern about the safety of motor products to get manufacturers to go to considerable expense and trouble to recall vehicles with inadequacies. I think that is a very commendable thing.

I wanted to participate briefly in this debate to indicate that a good deal has been accomplished but, as the hon. member for Hamilton-Wentworth indicated, it is only a start. I congratulate him on his statement. We are still exceeding our goal by some 5,000 deaths and we want to strive for a totally fatality-free record of driving in Canada. I hope that all levels of government, voluntary organizations, and all the people concerned, will make a co-ordinated effort to achieve this worth-while goal.

● (1630)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to commend the hon. member for Hamilton-Wentworth (Mr. O'Sullivan) for introducing this motion again this session. I thank him most warmly for the kind references he made to me this afternoon, but I thank him in particular for the way in which he has honoured me by accepting my advice. I say to him again, "Stick with it".

I might say a further word of a personal nature to the hon. member and tell him that in the early years of my experience in this House I put forward a few causes that meant a great deal to me, and I stuck with them. I have been sitting here thinking about them and I believe I can say that something has been done about all of them—maybe not as much as I would have liked, but something has been done even if in some cases

it took 25 or 30 years. I hope the hon. member will not have to wait that long to see real progress in the matter of increased highway safety.

I do not see any justification for the motion being talked out this afternoon. It is not even a motion that calls for committee time to be taken on it; it is simply a motion that would express an opinion by this House of Commons, an opinion which it would be hoped the government would note. I hope, even if instructions are around that this motion is to be talked out, that the members of the Friday afternoon club who are here—and it is always a pleasure to be with them—will decide to let this motion through.

This is an extremely important issue. It is a tragedy of the worst sort that with all the improvements we have made in transportation, with the technology that we have developed, there is such wholesale slaughter of human beings in our automobiles. I believe this requires the kind of permanent and constant attention that has been suggested by the hon. member who presented this motion which has been supported by the Parliamentary Secretary to the Minister of Communications (Mr. Milne) who has just spoken.

Because I would like to see the motion get through I must avoid taking any more time. I shall therefore take my seat momentarily, but I should like to say to the hon. member that in discussing this issue of highway accidents I hope he will not shy away from the question of alcohol. I do not have the statistics in front of me, but we all know that a large percentage of highway deaths stem from the use of alcohol. It is fine to have laws that provide penalties for impaired driving and so on, but I think we must go further than that and support the kind of campaign that the Minister of National Health and Welfare (Mr. Lalonde) sometimes engages in which would call for a changed attitude toward the drinking of alcoholic beverages.

We sometimes think of north American society as a society that has had a love affair with the automobile, but alcohol seems to be in there as well and the two do not mix.

I urge the hon. member for Hamilton-Wentworth in presenting his case from year to year to include alcohol with the other matters that should be raised. I congratulate him again. I am glad he is sticking with it, and I plead with him to continue to do so until he wins the battle.

Mr. Wm. Andres (Lincoln): Mr. Speaker, in rising to respond to the motion proposed by the hon. member for Hamilton-Wentworth (Mr. O'Sullivan) I want to add my commendation for his persistence. As the member for the neighbouring riding I am well aware of his persistence and hard work.

I would stress the seriousness of the road safety problem, if I may, by making a comparison to the costs of World War II not only in dollars but in terms of human lives and suffering. During six years of war, total Canadian military appropriations were $11.6 billion dollars, or an average of $1.93 billion per year. In 1975 the costs to our country in terms of medical bills, car repairs, and loss of productivity as a result of traffic accidents was estimated to be 2 per cent of the Gross National Product, or $2.5 billion. There were 17,682 Canadian battle deaths or persons who died of battle injuries over the six-year period of the war, an average of 2,950 fatalities per year. In comparison there have been 36,113 traffic fatalities in the last six years, or an average of 6,000 per year. These appallingly gross figures attest to the need for a co-ordinated effort by all levels of government in implementing a multi-disciplinary countermeasures program to combat the road safety problem.

Recent accident investigations estimate that 80 per cent to 90 per cent of traffic accidents are a result of human error. It is my opinion, and I am sure this opinion is shared by others, and it was alluded to by the hon. member for Winnipeg North Centre (Mr. Knowles), that a major source of that error is alcohol, with 40 per cent of drivers killed being found impaired, and 53 per cent of adult pedestrians killed being found impaired, as well. In view of these figures, Mr. Speaker, I will confine my remarks to the Canadian government's research activities and countermeasures programs relating to the problem of impaired driving and the role of alcohol in traffic accidents.

In 1974 Transport Canada conducted a national roadside survey, using an internationally approved methodology, in order to assess the nature and extent of drinking and driving habits in Canada. During a 12-week period 9,700 drivers were surveyed at over 500 sites across Canada between the hours of 10 p.m. and 3 a.m. on Wednesday, Thursday, and Saturday nights. Information on drinking habits, trip origin and destination, as well as demographic information, was collected. In addition, each driver was asked to provide a sample of breath which was later analyzed for blood alcohol content.

Of the drivers surveyed 20.4 per cent had been drinking prior to driving, 11.2 per cent were probably impaired, and 5.4 per cent had blood alcohol concentration at or above the statutory limit of 80 mg per cent. The results of this survey indicate that the chance of meeting a drinking driver more than doubles between the two hours prior to midnight and the 1 a.m. to 3 a.m. time period. Drinking and driving appears to be almost as serious on weekdays as on week ends. The data also reveals that driving after drinking is most prevalent among males, among the middle-aged, among the unemployed, and among the separated and divorced drivers.

● (1640)

I point out that a survey of this nature is important, in that it provides an excellent data base against which comparisons of fatality data for the same population can be made; it also provides us with considerable knowledge about the Canadian public's drinking and driving behavior. Public education campaigns and/or changes in impaired driving legislation can thus be evaluated for effectiveness if we have clearly defined the extent and nature of the problem prior to our particular counter measures program.

As an example of the first use, a non-governmental traffic safety conscious agency was able to compare 1973 driver fatality data for five provinces with the government's national

roadside survey exposure data in a collaborative effort, to determine if impaired drivers in certain age groups are over represented in driver fatalities. As a result of this comparison we now know that impaired drivers 16 to 17 years old face a terrible risk on the roads in that they are 165 times as likely to die in an automobile accident as the average non-impaired driver. Youths 18 to 19 years old are 70 times as likely to become fatality statistics when driving impaired. Other persons driving with a relatively high risk when impaired are the 50 year olds and above. They are 39 times as likely to die in a traffic accident when driving impaired, compared to the average non-impaired driver.

The age group with the lowest risk of fatality appears to be the 30 to 34 year olds, but even impaired drivers within this age category are 17 times as likely to be fatally injured in a road accident. Suffice it to say that drivers of all ages are at considerably greater risk of being killed when driving impaired than when driving sober.

One area in which the Canadian government has concerned itself with changing people's attitudes and behavior with respect to drinking and driving is in strict impaired driving legislation. I am pleased to report that further information gathered on the effect of the 1969 breathalizer legislation indicates a drop in traffic fatalities immediately subsequent to its passage. Recently, however, traffic fatality figures have risen, especially for very young drivers. This increase was originally attributed to the lowering of the age of majority between 1970 and 1972 in the various provinces. Recent evidence from a study conducted by the Traffic Injury Research Foundation suggests that the lowering of the drinking age had no substantial impact on this increase in young driver deaths in the provinces studied. Rather the authors more properly attributed the increase to the "rebound" effects of the ".08" legislation in Canada; that is, the impaired driving legislation of 1969 is believed to be less effective now in deterring impaired driving than it was just subsequent to passage.

With this in mind, in January, 1976, when the provisions of Bill C-71 were agreed upon in this House, amendments were made to the legislation which we feel will aid police officers in detecting impaired drivers on the road and result in more fines and convictions for the various Criminal Code offences. Specifically provision was made in the code for roadside breath testing involving the use of a portable device capable of detecting the presence of alcohol on the breath of an apprehended driver. Peace officers can now stop drivers whom they suspect may have been drinking. Previously, law enforcers were restricted by the law to pulling over only those drivers suspected of impairment. That you may argue, is a subtle distinction, but this "reasonable cause" provision should enable peace officers to detect more easily those drivers potentially dangerous to themselves and others, regardless of whether their driving behavior is erratic.

Since before these changes were made a blood alcohol concentration of impaired drivers on average was 170 mg. per cent, or more than twice the statutory limit, the old legislation was regarded as inadequate for the detection of those drivers at or just above the 80 mg. per cent limit. Not only should the new legislation increase the likelihood of detection, but fines and jail terms have been increased as well which should act as further deterrents. It is up to respective provincial governments to proclaim these laws in force, and up to both provincial and municipal authorities to ensure enforcement of the new legislation.

In order to increase the Canadian public's awareness of these legislative changes the Department of Transport has concerned itself with educating Canadians through public information campaigns designed to inform the public of the seriousness of the alcohol and road safety problem. To this end an information package has been developed, consisting of television, radio and newspaper advertisements, an audiovisual slide presentation, a leaflet which contains the major points outlined in the audio-visual presentation, and an information booklet on alcohol and drinking drivers. This information package was made available in February, 1977, to various traffic safety conscious groups across Canada, to be used in conjunction with on-going community programs.

As hon. members can see, we have made changes, have made representations, and have met with success. We are still trying to reduce the figures the hon. member mentioned to lower levels, preferably to zero. I emphasize again the seriousness of the drinking driver problem. Though I represent Canada's grape and wine country, I insist that alcohol and driving do not go together.

Mr. C. Douglas (Bruce-Grey): Mr. Speaker, first, I commend the hon. member for Hamilton-Wentworth (Mr. O'Sullivan) for introducing this motion, and the hon. member opposite me—

Mr. Knowles (Winnipeg North Centre): The member for Winnipeg North Centre.

Mr. Douglas (Bruce-Grey): I will get it right, especially if I am here as long as the hon. member has been here. I commend the hon. member for Winnipeg North Centre (Mr. Knowles). I have found the hon. member for Hamilton-Wentworth to be a most honest, forthright, and dedicated young man, dedicated to proper principles with which this House ought to be associated. He has shown an honest desire to serve the people of his riding and the people of Canada to the best of his ability.

I am glad we are debating this motion. I think we can serve the ends of the motion by discussing its subject matter on the floor of the House of Commons. We have only one hour available for the discussion. I wish a day were available for the discussion of these vital aspects of highway safety. A great deal hinges on effective highway safety measures.

Hon. members have mentioned areas in which improvement has taken place. The hon. member for Peel-Dufferin-Simcoe (Mr. Milne) told the House of improvements which have been made in road building, following discussions with provinces and manufacturers. The hon. member who just resumed his

seat spoke of the serious problem of the drinking driver, of young, middle aged and older drivers, and showed how vulnerable are young drinking drivers.

To those hon. members present in this House during this late hour on a Friday afternoon, I wish to speak as a parent and concerned individual who has been deeply associated for many years with some of the questions we are discussing. Before I was elected to this House I had pursued a somewhat varied career, as news editor of a television station, and as a peace officer in Ontario. I can tell you that if there is one thing a police officer hates to investigate it is an accident involving young people. When I say this I note the presence of young people in our galleries. We must involve mothers and fathers and young people in our discussion, for we are discussing a most serious subject, one which can affect lives.

As the hon. member who just resumed his seat said, drinking and driving do not mix. I say to our parents and older people, and to your young people, if they fail to use their seat belts when driving in automobiles they can endanger their own lives. Young and new drivers must be properly educated to the hazards of the road. Although nobody has mentioned it today, one of the important steps taken in the last few years for increasing driver awareness of road hazards is the introduction of school driving courses. Most young drivers in Ontario now find themselves subjected to such courses.

● (1650)

In investigating many of the accidents it was my misfortune to investigate from time to time, I found very often that they involved a young person who had made one mistake. It is that one mistake which we must eliminate. It is that one moment of carelessness while at the wheel of a car. It is that one moment while enjoying good friends and good times, when they fail to realize that that "one last drink"may be just the one last drink that is needed to get them and their friends, and other people they may never have met before, into a situation where death and destruction can result in the flicker of an eyelash.

I am not sure that if we were to complete our discussion and finish our debate on this important subject this afternoon we would really be doing the hon. member for Hamilton-Wentworth the best of favours. I hope, as the hon. member for Winnipeg North Centre has said, that his persistence in introducing this subject for discussion is rewarded. It may come up only once a year, but it is important that all members use these few moments in which to put forward their honest views to show those who are in the press gallery, and others who are with us late on a Friday afternoon, that we are concerned about this important matter.

There has been increased consultation, as the hon. member for Hamilton-Wentworth mentioned, through the federal-provincial road safety co-operatives. This will be continued. Compulsory use of safety belts has been introduced in the last two years and this has significantly reduced the number of highway fatalities in those provinces where the use of seat belts has become mandatory. Many departments integrate their thinking on the question of safety, including the Ministry of Health, the Ministry of Transport, the Department of the Solicitor General, and the Department of Justice. Individual and group efforts along these lines must continue so as to place before the people the importance of the motion which has been presented to us today.

I believe we must also look to more and better public transit as an element which will relieve congestion on our highways in and around the large cities. It is during the rush-hour that many of the more serious accidents take place. Recently it was my pleasure to visit Germany. Their most serious accidents occur on well-constructed four-lane highways when a heavy congestion of traffic is moving at relatively high speeds. Our own traffic acts provide for legal speeds of 55 miles per hour. In Germany the speed of traffic is almost unlimited on some of the super highways. I believe the provinces have done a considerable service to the driving public and Canadians in general by reducing the permitted speed to the 55 mph mark in most cases.

The recent introduction by the Minister of Justice (Mr. Basford) of the mandatory breathalyzer concept and the introduction of a system of spot-checks in conjunction with the provincial solicitors general are important steps forward which will give the police forces throughout this country a handle on a very dangerous situation caused by the actions of impaired drivers who would normally go unnoticed and who could not legally be subjected to that type of test.

There are many other things I would like to have said, Mr. Speaker, but I know other members wish to contribute to the debate. I thank the hon. member for putting forward this motion. It is by this type of debate and publicity that the House can best serve the needs and aspirations of the public in promoting safe driving.

Mr. Knowles (Winnipeg North Centre): Question!

Mr. F. A. Philbrook (Halton): Mr. Speaker, in the very short time remaining I should like to add my thanks to the hon. member for Hamilton-Wentworth (Mr. O'Sullivan) for placing once again before the House a motion designed to bring our attention to bear on the subject of road or traffic safety. Few of us have not experienced the tragic loss of a friend or someone we knew through traffic accidents. It is one of the most remarkable and tragic aspects of our civilization that though we have managed to eliminate many of the traditional causes of ill health and death, particularly through infection, we have more than replaced them with self-inflicted evils like road and traffic accidents. This is certainly a situation government should not have to put up with and spend a great deal of the country's resources on. At the present time, it is one the federal government is trying to do a great deal about particularly through programs like the new perspective program and the traffic programs which have been mentioned today, in conjunction with the provinces.

We have heard from the previous speakers about a lot of the causes—alcohol, speeding, the youth aspect, and so on, as well as about many of the programs which have been introduced both by volunteer organizations and by governments. A very

full program is going on at the present time and I am sure the hon. member who moved this motion appreciates this.

I should like to underline the point about seat belts. This has been a very strange chapter. The program has been accepted by some and rejected by others. I think it is well on the way now to being a success. I should like to underline the point made by my hon. friend from Bruce-Grey. There is a very real role for public transit to play in this area of road safety. Some of us have spoken up on this issue a great deal recently, and we shall continue to do so. Fortunately in a country as advanced as ours a great deal is being done, both by governments and others.

The Acting Speaker (Mr. Ethier): Order, please. The hour provided for the consideration of private members' business has expired. It being five o'clock this House stands adjourned until Monday next at 11 a.m., pursuant to the order made Monday, May 30, 1977.

At 5 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Monday, June 6, 1977

The House met at 11 a.m.

• (1110)

GOVERNMENT ORDERS

[*English*]

HISTORIC SITES AND MONUMENTS ACT

AMENDMENT TO INCREASE NUMBER OF MEMBERS OF BOARD

Hon. Len Marchand (for Mr. Allmand) moved that Bill C-13, to amend the Historic Sites and Monuments Act, as reported (with an amendment) from the Standing Committee on Indian Affairs and Northern Development, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the bill be read the third time? By leave, now?

Some hon. Members: Agreed.

Mr. Marchand (for Mr. Allmand) moved that the bill be read the third time and do pass.

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, on behalf of the Minister of Indian Affairs and Northern Development (Mr. Allmand), I am pleased to make a few brief remarks on the third reading stage of this legislation, which is not a very complicated bill. Nevertheless, it is an important bill. It is not complicated in that it only seeks to do one simple thing, which is to add two more members to the Historic Sites and Monuments Board of Canada. That is simple, but it is important because those representatives will come from the two territories—the Northwest Territories and the Yukon territory.

In the course of considering Bill C-13 there have been interesting debates at both second reading stage and when this bill was before the Standing Committee on Indian Affairs and Northern Development. When this bill came forward for debate, many members took the opportunity to talk about historic sites or persons within their own constituencies. Thus, we had an interesting cross-section sampling of Canadiana during the course of this debate.

It was said that we ought to be doing more in the House of Commons to make ourselves aware and to inform the citizens of this country about the very colourful and dramatic history which we have as a nation. Bill C-13 gave members an opportunity to refer to some of the fascinating historic events which have taken place within their ridings, and whether they were or were not properly designated. Where there has been such an important historic event within a province, region or constituency, members would like to have it properly marked in one way or another. That is the function of the Historic Sites and Monuments Board of Canada. It is always pleased to hear from members of parliament or from other Canadians concerning historic sites or historic personages which ought to be appropriately recognized through the work and functioning of this board.

The Historic Sites and Monuments Act provides that the board bearing the same name recommend to the Minister of Indian Affairs and Northern Development places, events and persons of historical significance to our country. This board has been functioning since the time of its establishment in 1919. Presently, the board is composed of 15 members, two representatives each from Ontario and Quebec and one each from the other eight provinces. As well, there is one representative from the National Museums of Canada and the Dominion Archivist, and also an officer from the Department of Indian Affairs and Northern Development, a position which happens to be vacant at the moment. The provincial representatives are usually historians or archivists of some repute. Mr. Marc Laterreur is the chairman of the board. He is also a member of the Department of History of the Faculté des Lettres of Laval University in Quebec.

In the past 20 years, on the recommendation of the Historic Sites and Monuments Board of Canada, more than 70 historic parks and major sites have been designated, and almost 700 persons and events of historical significance have been commemorated. Those statistics speak for themselves, Mr. Speaker. Some people may believe, if they are not as aware of the history of our nation as they ought to be, that not much has happened in our past that is of significance or import. In fact, the Historic Sites and Monuments Board, through their work, has proven this to the contrary. There is a great deal in our history which is worthy of recognition. The board which examines these requests has come up with a significant number in the past 20 years: as I said, more than 70 historic parks and major sites have been designated, and almost 700 persons and events of historical significance have been commemorated.

The purpose of amending the Historic Sites and Monuments Act is to have better representation of two important parts of Canada—the Yukon and the Northwest Territories. Up until now, representatives from these northern regions have attended board meetings only as observers, without the right to vote. The fact that there will now be representatives from the two territories sitting on the board is indicative of the government's

policy to more and more recognize the place and the role of the territories in our federal system.

There is an evolution of government going on within the territories. In its own small way, this bill helps to recognize that. If this bill is adopted it will have delegates from the Yukon and the Northwest Territories on the Historic Sites and Monuments Board of Canada. They will no longer simply voice their opinions or be there in an advisory capacity. They will have all the rights and privileges which the other members of the board have. The board will then have 17 members instead of the present 15.

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

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened with great care to the speech of the parliamentary secretary. I do not intend to unduly delay the passage of this bill. I regard this as a very significant event. The House is about to approve the addition of two more members to the Historic Sites and Monuments Board of Canada. They will represent the Northwest Territories and the Yukon. These two areas are frontier areas of our country, and are very much in the minds of all Canadians as we wrestle with the question of the approach to be taken to their development. All members are aware of the problems of development there and the importance of those areas to Canada. So I think this is a sound bill and one worthy of support, particularly in view of the status it will give to the representatives of those areas, a status equal to that of representatives of other parts of Canada which are in a different state of constitutional development.

● (1120)

The parliamentary secretary said the debate on second reading had given parliament—and, I hope, those who read *Hansard*—a cross-section of Canadiana. That is an excellent description. Canadians everywhere should be mindful of the work of the Historic Sites and Monuments Board. It has been going on for a number of years. In my own area of Grenville-Carleton, an historic area of the province of Ontario, many sites have been designated. Since I came here in 1972 I have dealt with that board and with those who work with it and with the historical societies which work in such close co-operation with the board, and I say to you, Mr. Speaker, that the board and those who work with it are to be commended for the help they have been giving to those within the area I represent and who have been interested in the preservation and the memorializing of our history and of the great events of our times.

I have the honour to be the honorary president of the Grenville County Historical Society which has co-operated completely with the board in terms of designating sites in Grenville county. There has recently been formed a Rideau Township Historical Society which with the work of the interested people of Merrickville is in the process of adding to the lore of what is old Carleton county bordering on the Rideau River. The use of that river as a highway is a story in itself as exciting as anyone could imagine. Recently, an Osgoode Township Historical Society was formed. Osgoode township is an agricultural area of great significance in terms of the pioneer families who settled there; it makes one proud to be associated in any way with that area. This evening, in the township hall in Goulbourn township, they are forming a new society called the Goulbourn township historical society which will cover the old capital of Carleton county, Richmond, Ontario, where Colonel By, who participated so greatly in the development of this area, met his death.

We have in Prescott, Fort Wellington, a magnificent site marking the relationship between Canada and the United States when it was not quite as happy as it is today. There are stories in my part of Ontario, and I am sure each member of the House could find stories—as the parliamentary secretary has said—as interesting as any. If young Canadians want to look to an exciting past, let them look to the past of this country. If there is to be an understanding between the various regions of Canada and the various cultural groups in Canada, I think this kind of preservation and memorializing is more significant than we are sometimes prepared to admit.

We have a lot of difficulties in Canada now. We have misunderstanding—perhaps lack of understanding—from place to place, and I think we can begin the job of erasing these differences by understanding and having a feeling for the roots from which we have sprung and the events in our nation's development which have affected us. If that is the object of the Historic Sites and Monuments Board—and I am sure that is part of it—it should be supported by all Canadians.

I am very pleased to speak for this short period in the debate. I think we should not lose sight of the fact that sitting in this chamber we have a member of parliament who is himself a national historic site. I am speaking of the hon. member for Winnipeg North Centre (Mr. Knowles).

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): He happens to be a neighbour of mine. He has made a great contribution to parliament. I would not want this occasion to pass without reminding hon. members that the right hon. member for Prince Albert (Mr. Diefenbaker) is today in the United Kingdom with the Prime Minister (Mr. Trudeau) preparing to attend the jubilee celebrations of Her Majesty Queen Elizabeth II. He has become a legend in this own time. He became a legend because he brought his tremendous powers of oratory and his great powers of perception to the defence of the little man. He had, and has, a view of this country which can only be described as sweeping.

It is important that the House know that what he regards as one of his greatest contributions, namely, placing upon the statute books the Canadian Bill of Rights, will be memorialized in this place by the affixing to the walls of the Parliament Buildings a bronze replica of his bill of rights. I think we could do with a little more of that around here. There was the union

of the areas of Canada in 1867. Many men and women before and after that date made a contribution to our country which we ought not to forget and which we ought to be prepared to recognize by the setting up of suitable memorials in these parliamentary buildings.

Lastly, though education is not within the jurisdiction of the government of Canada, most of us are interested in the educational systems of the provinces and the territories from which we come. I hope there will always be an effort by those in charge of the programs to educate young people to pay particular attention to the exciting history of Canada, the development and evolution of its political institutions and the contributions made by its men and women great and small. They are as much a part of the fabric of our nation as the concrete and steel that we see above us now as our country develops. In closing I want to say that I am pleased to have had the opportunity to speak for a few minutes on what I regard as a very important subject.

● (1130)

Mr. Paproski: And here is our historic site!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when the hon. member for Grenville-Carleton (Mr. Baker) told the House that he was an honorary president of an historical society, I was tempted to interrupt him to say that he is not old enough. I wish I had done so, so that I could now say I am not old enough to be an historic site. When the reference was made, my good friend, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) said, "I can just see the pigeons flying over you".

The parliamentary secretary his indicated that we had a very good debate on this bill at second reading and that the committee also had an interesting time with it. Our hope is that the Historic Sites and Monument Board will pay some attention to the many suggestions that were made during the course of that debate. But I agree with him and with the hon. member for Grenville-Carleton, that it is not necessary for us to continue that sort of debate now that we have reached third reading.

There is, however, one reference that I would like to make to the committee. I am sure the hon. member for Vancouver-Kingsway (Mrs. Holt) will agree with me that the committee did something that was quite historic. It made a very slight amendment to the bill, as the House sent it to the committee, that deals with an issue that is very much with us. The bill, as it was sent to committee, contained a subclause that read in these terms:

A person is not eligible to be appointed or to continue as a representative for a province or a territory unless he resides in that province or territory.

The committee amended it so that it now reads:

A person is not eligible to be appointed or to continue as a representative for a province or territory unless such person resides in that province or territory.

As the hon. member for Vancouver-Kingsway and some others of us frequently point out, the word "he" and the word "him" seem to appear throughout our statutes. We are asked to operate under the umbrella of the Interpretation Act which says that the masculine includes the feminine. I hope that this is a beginning that can be carried through and that our statutes generally can reflect much more equality between men and women than they do at present.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): As I have already indicated, it is not necessary, in my view, for us to repeat the suggestions that were made at an earlier stage, but I have an additional one that I should like to make and I am encouraged to make it by the references of the previous speaker. The hon. member for Grenville-Carleton referred to known events in history and to persons who might be outstanding in the sense that their names are well known. These are the events and persons who are usually honoured. But I was disturbed a while ago when it came to my attention that a certain request for consideration by the Historic Sites and Monuments Board was turned down, and I would like to mention it briefly.

This is not something that many people will know about. There is a group known as the Parkland Ukrainian Pioneer Association located near Rossburn which is probably in the constituency of my friend, the hon. member for Marquette (Mr. Stewart). People in that area are very conscious of the struggles, the sacrifices and the suffering of their forebears, most of whom in that area were Ukrainians. There is one particular spot in that constituency where there is a mass grave of Ukrainian mothers, children and some fathers who simply perished because of the rigours and the suffering that they went through in the early days.

People in that community think a great deal of that part of their heritage. Their names are unsung, but it seems to me that there is a place for this kind of thing also being remembered by our Historic Sites and Monument Board. Let us not get carried away with the fact that the only events worth remembering are wars, battles, and so on. Let us not get carried away with the idea that we must forever put up plaques or monuments to persons whose names are down in history anyway. This country has been made what it is by a lot of little, ordinary people, and I think that this request that something be done to mark that mass grave of Ukrainian pioneers who, by their sacrifices, helped to get those people settled in western Manitoba is one that should be considered.

Somehow or other it was shunted from the Historic Sites and Monument Board to the Minister of State for Multiculturalism (Mr. Guay), I suppose because they were Ukrainians. Mr. Speaker, they were Canadians, and this is part of our heritage. I hope that this sort of thing will be reviewed. I ask the board to look at this particular case. But even more, I make the point that as time goes on I hope we will remember not only the well known names but the names of the little people by the hundreds and thousands who have made this country what it is.

I want to keep my word to the effect that I do not think we need to extend this debate, but we are glad to have this opportunity to endorse what the Historic Sites and Monument

Board is doing and to say that anything that we can do to show our pride in our heritage is a good act on our part.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I want to add a few thoughts also, but with no regrets at extending the debate for the next few minutes. I know that the House is disposed to move this bill along and it has proceeded with a good deal of the examination of it in committee. But since the bill involves the Historic Sites and Monument Act, it also involves the whole perception of Canadian history, and like other speakers who have taken part in the debate on this bill I believe that the bill involves our history and how it is taught in our schools, which has been a pet subject of mine.

The teaching of history in our schools is not even required in some school curricula, which is a most retrograde and unfortunate situation. A student is able to go through the whole school system, at both elementary and secondary school levels, and graduate from grade 11, 12, or 13 in this province having had no real exposure to our vibrant history, the history of our country which is just as exciting and dynamic as the history of the country to the south of us. Quite understandably, we are preoccupied with Canadian culture and we have set up CRTC to define Canadian content so that we know what a Canadian is and so that when we see ourselves in the mirror we are able to recognize ourselves and find out who the devil we are.

Having been exposed to education, not as a teacher but as a member of a school board, and then having been privileged to be chairman of a school board in the west, it has never ceased to amaze me how little the Canadian student is exposed to the vital history of this land. Were he exposed more to it, it would give him some pride, in light of some of the problems which we have in this country at present. Maintaining Canadian content in our programs and trying to instil pride in our history, almost after the event, may be fine; but for it to be taught properly in the schools is much more important. A great deal of the legislation we deal with in the House involving Canadian culture is pump-priming and band-aid procedure. It does not get to the fundamentals which must be taught in our schools.

Today I flew in from Nova Scotia and walked into the House as the bells were ringing this morning. This weekend we were involved in the apple blossom festival with the Minister of National Revenue (Miss Bégin) gracing the parade by being the parade marshal and participating in a unity breakfast in which I also participated. I think it was the minister's first venture into the Annapolis Valley. Perhaps that is why I was interested in seeing this bill come forward today and hearing the parliamentary secretary's explanation.

● (1140)

I am sorry that I did not participate in the committee, because I certainly would have got into a more detailed examination of some projects in my riding. The House may be aware that my riding is Annapolis Valley, and I am being quite modest when I say it is literally the cradle of a European civilization in North America. It has the oldest continuous settlement which is still in existence. That settlement dates back to 1604. Because I was exposed to some of this over the weekend I am glad to have the opportunity to make these remarks.

[Mr. Knowles (Winnipeg North Centre).]

It was a fellow called Joseph Howe, a tremendous Nova Scotian, who said something like this, "A nation which does not preserve its monuments starts to lose its soul". Considering statements such as that of over one hundred years ago, in the present context I wonder if this is not one of the reasons we try to define what our soul is. We have not paid enough attention to this. There is more than stale, dusty history: Our history is vital and active.

I do not know how many students in our country know some of the interesting things about our prime ministers. No prime minister has not had some facet of private or personal life which was just as fascinating as anything that happens south of the border. We all know the attributes of Sir John. A. Macdonald. Few realize that he had a daughter who was very retarded and sick. He used to walk from this House of Commons every night to what is now the British high commission, his former home, to read to her during the supper hour. Perhaps it was as a result of her affliction and other tragedies regarding his son that Sir John A. Macdonald became a great gourmet of certain liquids. However, he was a great parliamentarian.

The fact that the home of the first prime minister of this land no longer belongs to Canada is testimony to the fact of how retarded we have been as a country. It is now the site of the British high commission. It was a beautiful house, and it still stands. I do not know if the history of that house is pointed out by guided tours. This would never happen in the United States—but it happens in Canada all the time.

The hon. member for Hillsborough (Mr. Macquarrie) is not in the chamber now, but he has been a consistent spokesman for those who want to have a federal government and the provincial governments recognize some of our historic sites. Three miles from me in my riding there was once the home of one of our prime ministers, Sir Robert Borden, but that house has been torn down. It was an original American planner home. Now the site is barren: there are now just trees and shrubs; the house is not there. At the intersection of Grand Pré there is a little plaque saying that down the road half a mile is where the house once was. When I was knee high to a grasshopper I attended the unveiling of that plaque. Henry Borden, of Brazilian extraction and a descendant of Sir Robert Borden, pulled back the veil; but even at that time, if my memory serves me correctly, the original home was still in existence.

I do not want to take up too much time, but I want to repeat what Joseph Howe said, "A nation which does not preserve its monuments starts to lose its soul". The right hon. member for Prince Albert (Mr. Diefenbaker) once said in a speech—and I have used this at every school at which I have spoken—that the man who does not know his history is the same as a person in the hospital who has amnesia. We do not have to become slaves of the past, but certainly an awareness of the past would help define and chart the course for the future.

I am not going to discuss all the areas of concern in my riding. I am proud to be a member of parliament because we are dealing with a bill which extends and enlarges the Historic Sites and Monuments Board by adding to it representatives from the Yukon and the Northwest Territories. Less than two weeks ago I happened to be in the Yukon for the first time. I was 300 miles north of Whitehorse, at the westernmost settlement in Canada. That part of the country reeks with history. That history basically has to do with the gold rush. But history is also taking place today because now we have the Lysyk commission studying the Alcan pipeline route. This is a kind of marriage of the old with the new. We should try to achieve the proper blend of the new with the old.

I became interested in the Yukon and some of its history because, quite frankly, I did not know very much about it. There is a tremendous book entitled "Prelude to Bonanza", written by a well known citizen of Whitehorse, Allen Wright, which points out that long before the gold rush there was quite an active history and quite a lot of development by the Americans and the French in this most westerly region of Canada.

There is one specific matter which I want to mention. There has been a repeated request by the West Hants county historical society. I would like to pay credit to at least one individual involved with that society, Mr. Roland Meuse, its president, who has helped inform me and who has brought to my attention in a most constructive and consistent way various matters of concern to his society. One request of this historical society is backed up by a resolution. It is also backed up by the affiliated boards of trade of the Annapolis Valley. The request is that there be some federal help with regard to Fort Edward, in Windsor. I think I should read the resolution passed by the West Hants historical society. It was adopted December 13, 1976, and reads as follows:

> Whereas, the West Hants historical society and other organizations in the county of Hants, Nova Scotia, have asked federal authorities to undertake an historical redevelopment of Fort Edward in Windsor; and,
>
> Whereas the society has requested the reconstruction of the simple wooden barracks buildings for museum and display purposes; and,
>
> Whereas Parks Canada has opened the blockhouse for public inspection in the summer season, providing pictorial displays and guides, and has indicated that plans for redevelopment are somewhere in the remote future; and,
>
> Whereas, the hon. Mr. Warren Allmand, Minister of Indian and Northern Affairs, on December 1, 1976, announced a ten-year program and an expenditure of $20 million by Parks Canada for restoration of the nineteenth century Halifax Citadel;
>
> Be it resolved:
>
> That the West Hants historical society approves of restoration work at the Halifax Citadel, but feels that at a time when restraints are being placed on restoration programs elsewhere, the Halifax project is being done to the serious neglect of other sites such as Fort Edward and Annapolis Royal, which were not merely displays of British military muscle, but were involved in more active roles in the historical development of Canada, and had notable influence in the destinies of the French, British and native peoples of this country from a much earlier period; and,
>
> That before any further projects of the magnitude of the restoration of the Louisbourg Fortress are carried out, to which the Halifax Citadel project was compared by the minister, more visible attention in restoration should be given to the smaller and more significant historical sites in this province.

That resolution has been supported by many institutions in the Annapolis Valley, including boards of trade. The Fort Edward site was constructed in 1750, and the original blockhouse is still there. The request is that there be federal funding for the restoration of the wooden barracks so they could be set up as a display and museum area. We are not talking about hundreds of thousands of dollars; we are talking about some help to develop this site in one area of the valley. The other historic sites and museums—the habitation in Annapolis Royal and Fort Anne in Annapolis Royal—are developed. You can see the Fort Edward blockhouse right from Windsor. From all sides you can see the tides of the Bay of Fundy and the Minas Basin which are the highest tides in the world.

• (1150)

I do not want to prolong the debate, Mr. Speaker, but merely to put on record the request from the West County historical association and ask the department seriously to reconsider its decision. It did not completely reject the application but said it does not fit within the priorities of the programs of the department right now. Perhaps in another year, if there is more money, something might happen. I ask that this be reconsidered in view of the fact that in 1978, Windsor, which is the shire town of Hants county will celebrate its centennial. I cannot think of any more significant recognition from the federal government and the Historic Sites Board to mark the history of this region than a firm commitment of funds. This would help the people who up to now have done things pretty well on their own, as so often happens in small towns.

I agree with the hon. member for Winnipeg North Centre (Mr. Knowles) that the large projects are often able to carry themselves: everyone knows about Louisbourg, the Citadel in Quebec and the Citadel in Halifax, for instance. It is the smaller projects that require more compassionate assessment by the Historical Sites Board and officials far away in the bureaucracy in Ottawa. These small sites involve the local people much more than some of the national museums.

I certainly do not want to hold up the bill, Mr. Speaker. I have read the resolution. We are talking about something that goes back to the early 1700s which is wrapped up not only in the history of the British and French but also of the Indians of the area, the first Canadians. I cannot think of any better birthday present to the people of Annapolis Valley in western Nova Scotia, and specifically to Hants county and Windsor, than to have a commitment that in 1978 something will be done at the Fort Edward site so that there will be a barracks to complement the blockhouse that is standing there.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I do not propose to take up too much of the time of the House in my remarks on this measure. There is one aspect, however, that I feel should be brought to the attention of the House. It relates to one of the most outstanding navigators and hydrographers of all-time, James Cook, and the commemorative plaques and symbols that ought to be placed in various parts of the country, particularly on the west coast, in commemoration

of his work. We are coming very close to the anniversary of that period of our history where James Cook made extraordinarily accurate charts of the west coast of Canada. I think it is time we commemorated those activities with more recognition than has been accorded to them.

When I visited Quebec City about two months ago I was surprised to learn that this same Captain Cook had a great deal to do with the plotting and drawing of the charts of the St. Lawrence River in 1758-59 prior to his explorations on the west coast. I have suggested to the Postmaster General (Mr. Blais) that he should consider that Captain James Cook be commemorated at the appropriate time in 1978 with either a commemorative stamp or a series of stamps which would do what we have been talking about in this bill, that is, commemorate what we owe to those who opened up the country for us.

The hon. member for Winnipeg North Centre (Mr. Knowles) mentioned the need for remembering the smaller people, those who have made contributions but whose names do not appear in the Encyclopedia Britannica. Of course, Captain Cook's name appears there, but we need to be reminded more often than we are at the moment of the dates when all of those who came before us discovered and plotted our lands. I make a plea again to the Postmaster General, which I hope will be picked up and brought to his attention—as he is not in the House today—that Captain Cook be commemorated with an issue at the appropriate time in 1978 and that a series of commemorative ceremonies be organized on the west coast to mark the historic work he did there.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, it would be repetitious to go over, again, the importance today of historic sites to Canadians. I ask the House to be tolerant if I should become a little local in my remarks. Any country which has pride in itself, any group of citizens who has pride in its community and its history should use this pride as the cornerstone of development. History reveals the errors of the past, and as we plan the future it is hoped that we may learn from these errors and go forward with greater confidence in our ability to cope.

In comparison with other countries, Canada has been remiss in exploiting her historic sites. It must be admitted, of course, that we do not have the history of Athens, Rome, Paris or London. But we have our own history. It is a brilliant history, something of which we should, and must, be proud. Our citizens spend billions of dollars abroad absorbing the history of other countries, yet virtually nothing has been done to create attractions which might keep them at home or which bring people from other countries to Canada as tourists.

On the occasion of the Queen's silver jubilee, presently being celebrated in London, it is estimated that two million tourists are in the city enjoying its history. Even if we discount the historical appeal of this bill, we should perhaps examine it for its potential to keep Canadian money at home and attract foreign money to our shores.

[Mr. Munro (Esquimalt-Saanich).]

Not too long ago I was privileged to visit the New England states. I was invited out to dinner, to the house which had formerly been the home of that famous author, John Greenleaf Whittier. That home is an historic site, preserved in all its historic grandeur and recapturing the flavour and life of the era in which the author lived. We do little of that sort of thing.

● (1200)

I appeal to the government to be aware of our significant historic sites and to preserve as an historic site the home Mr. Van Horne built and lived in, in my constituency. Failure to preserve the house as an historic site would cast no credit on the federal government, or on the government of New Brunswick. The site, together with all its artifacts, was at one time available for $100,000, but neither the Historic Sites and Monuments Board nor the provincial government of New Brunswick saw fit to buy the island on which Mr. Van Horne had lived and preserve it as an historic site. The house stands in a community which depends on tourist traffic for its living in the summer. Actually, tourism is the underpinning of the area's economy all year. The local chamber of commerce, the heritage trust, interested people in St. Andrews, the honorable member for Fundy-Royal (Mr. Fairweather) and I, among others, have pleaded with governments to act immediately. All these pleas have met with procrastination.

If we do not act quickly, the site may be lost to the public. We must help the government of New Brunswick which has done its best within reasonable limits to acquire the assets of that estate, an estate of significant historical importance in the development of this country. Mr. Van Horne's first home in Montreal was destroyed to make room for development. Unless we act promptly, Mr. Van Horne's other home in my constituency may not be available to the public as an historic site. I suggest that federal and provincial authorities must co-operate to secure this site for the public.

These sites are valuable as historical records because we have reason to be proud of our history. If economic hard times lie ahead and money becomes scarce, surely it makes sense for the government to take over these premises. I could point to many significant historic sites in Carleton-Charlotte, a constituency settled relatively early in Canadian history. I expect many hon. members know of the articles Dr. George Frederick Clarke on matters of history and on historic objects he has collected over the years. But for his writings Canadians would be unaware of many matters of historical significance. Dr. Clarke has written about at least a dozen sites or places in Carleton-Charlotte which could be classified as historic sites.

Many of the sites he mentioned ought to be taken over. They would be useful for fostering the pride of our citizens and attracting visitors. I urge the government to be cognizant of places of historic interest in this country, that is, of historic sites and of the contributions of the people in our history, people who come from the west, Nova Scotia, New Brunswick, Quebec, and all other parts of the country. We are spending millions of dollars on the development of Beauséjour. I applaud the expenditure. Let us not lose sight of the impor-

tance and value of other sites, equally interesting and equally valuable to Canada today and in future.

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

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

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

* * *

FISHING AND RECREATIONAL HARBOURS ACT

MEASURE TO PROVIDE FOR ADMINISTRATION AND DEVELOPMENT OF CERTAIN HARBOURS

The House resumed from Friday, December 10, 1976, consideration of the motion of Mr. LeBlanc (Westmorland-Kent) that Bill C-7, respecting the administration and development of certain fishing and recreational harbours in Canada, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. Knowles (Winnipeg North Centre): Is the minister not present?

Mr. Fleming: Mr. Speaker, I rise on a point of order. I was slow to rise because I thought one or two hon. members opposite wanted to speak on the bill. Unfortunately, the minister cannot be in the House this morning because of prior commitments but will try to attend in the House later to close the debate. Although I am on my feet, Mr. Speaker, I do not intend to close the debate. I know that several hon. members still wish to speak on the bill.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I rise on a point of order. Surely such an important bill seeking to confer significant powers of enforcement on officers, under certain conditions, merits a statement from the minister. If the minister cannot be here this morning, perhaps we could put off the introduction of the bill until this afternoon and so allow the minister to explain the bill and why these extensive powers are proposed.

Mr. Fleming: Mr. Speaker, I rise on the same point of order. With respect, we are continuing consideration of the bill. When it was introduced on second reading last December, the minister opened the debate, after which some six or seven members spoke on it.

The Acting Speaker (Mr. Turner): Order please. When the House finished its consideration of the bill on December 10, the hon. member for Churchill (Mr. Smith) had the floor. He is not present this morning; therefore, I recognize the hon. member for Esquimalt-Saanich (Mr. Munro).

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have not had the opportunity to read why the minister requires the extensive powers sought in the bill. I find it odd that we should debate a bill of this sort, an important bill, and the sort of bill which we have just finished debating, in order to fill in time near the end of the session. I find this particularly odd since other questions of consequence for this country need debating; for example, the income tax measure which has caused considerable perturbation. I ask, why did the government decide to bring forward for discussion at this time this bill?

I notice that this bill would confer powers on the minister to produce regulations and make definitions. Normally, definitions are written in clear language. According to clause 2, "goods" means "tangible personal property other than vessels." Presumably that definition could include fish on board a vessel, or any other goods or chattels. However, on page 2 of the bill one finds that "scheduled harbour" means "any fishing or recreational harbour included in a schedule prescribed by the regulations". Once more we see regulations rearing their heads. Mr. Speaker, in our history this parliament will be known as the parliament which passed many regulations and which tried at the same time to review regulations and statutory instruments in which are enshrined many of our legislative enactments. This parliament will be remembered for the number of regulations we were obliged to approve. Here we have a definition defined through regulations which are not actually in the bill.

● (1210)

I think of one particular harbour that might very well fall within this definition. It might be prescribed as a scheduled harbour within the regulations. We have had trouble with this harbour before. It is within Indian territory. An attempt was made to create a marina there. The Indian band rose up against the particular movement. The municipality in which the band finds itself also rose up against it. I understand there is a further movement to have a second crack at this particular harbour in order to convert it into a marina. There have been marinas in the area of my constituency. Some have had rather sad histories. This particular one was investigated by a developer, up to a point. He thought it was in the bag until pressure developed to have his project put on the back-burner. I thought it was not only put on the back-burner but out into the woodshed and into the archives. However, I gather there is talk at the moment that it might come forward again. The bay I have in mind is Saanichton Bay. It should be mentioned. We ought to serve warning that developments of this sort should not take place under cover of regulations which we do not see.

There is something else that concerns me in another part of this bill. I will come back to Saanichton Harbour in a minute. Clause 5 reads:

> The minister may undertake projects for the acquisition, development, construction, improvement or repair of any scheduled harbour—

Subclause (2) reads:

The minister may, subject to the regulations, enter into an agreement with any province—

That is fine. However, he may also, as provided in subclause (3)—

The minister may, subject to the regulations, enter into an agreement with any person—

That removes the development of harbours such as Saanichton Bay from the reach of this House. If there are harbours that are being considered as harbours, they ought to be scheduled. A list of those harbours should be brought before this House so that we will know exactly what waters, harbours and bays are being considered. The municipalities want to know, as do the people living nearby. According to my recollection, the Saanichton Bay development occurred about two years ago. Objections were raised by the Indian band community which harbours its boats in that bay. There was going to be a lot of dredging. They were going to completely change the whole estuary or the creek that flows into Saanichton Bay. One of the other objections raised at that time was the industrial development that was going to be attracted by the development of that marina. No thought was being given to the community infrastructure that would have to proceed, or at least be considered hand in hand with the development of that marina project.

The Indian band was very upset because of the parking problem that would arise once the marina took shape. I do not have the file before me, but I believe they were talking of the order of 1,000 boats: once developed, the marina would handle 1,000 pleasure boats. It would, of course, receive pleasure boats from the United States, which is not very far away. Actually, the American islands are within sight of the development that was contemplated.

The municipality was very upset because this operation was to take place at a time when there was a critical water shortage in the peninsula. I have mentioned this before. People in this House find it difficult to believe there is a water shortage in Victoria and in the Saanich peninsula—but there is. There is a very high building development in the area. It is pressing in on the ground resource of the water. This 1,000 vessel marina would have a requirement for topping up the water cannisters before going off. Also, when people came in, their water supplies would be down and they would expect to have pure water available. These matters should be taken into account very seriously before any projects of this kind take place. The minister will be able to schedule harbours in bays and then enter into agreements with the provinces or with individuals. He will have that power under this bill.

Let us suppose this bill had been in place when that previous marina had been brought forward. Would we have been able to stop it as we did? Would the community have been able to stop it? Would the municipality have had an effective voice?

Why are the regulations not available to us? I ask the hon. member for Halifax-East Hants (Mr. McCleave) whether he is satisfied with a bill of this sort. I do not ask that because it is a fisheries and harbours bill, but because of the regulations. He has had a lot to do with alerting this House to the dangers of legislation by regulation. At one time I fondly imagined that it was law that prevailed in this country. I now find that the law merely provides the means whereby regulations can be drawn up. Regulations and ministerial discretion used in drawing up and promulgating regulations determine the lives of our citizens—not the law. Therefore, I find it a little too much that such powers are granted to the minister. Without reflecting on the minister himself—

● (1220)

Mr. Alexander: Why not?

Mr. Munro (Esquimalt-Saanich): Why not? But not in this particular case. I make no reflection on the minister himself, but this whole principle of ministerial power in drawing up regulations stemming from an act must be examined very carefully. I think we should exercise every precaution to make sure that, before we agree to give passage to legislation containing provisions of this sort, the regulations are before us and are appended to schedules to the legislation. There is no denying that this affirms, almost in stone, the regulations themselves. When amendments to the legislation are brought forward, amendments to the appendices can also be brought forward and discussed in the House. We must make sure we are governed less and less by regulation, and on all bills to which I speak I am determined to look into this aspect most carefully.

I cited the Saanichton Bay problem merely as an example of what could happen in any coastal riding in this country. A member may wake up one morning and find that a harbour in his constituency has been designated by the minister and that a developer with whom the minister has made certain arrangements begins to develop the area without first considering the wishes of the community. When we get to committee we must look at this matter again.

We are not finished with regulations in clause 2, because I find at page 11 of the bill there is a clause dealing with payment of fines. Clause 25 provides:

(1) The governor in council may by regulation designate any offence under this act or the regulations as an offence with respect to which—

And so on. So, again, we come across regulations which are to be drawn up by the governor in council. Why are these regulations not available to us? Is it not possible, before we move on to third reading, to have the regulations which are going to designate any offence under the act as an offence with respect to which certain things happen? I would have thought it would not be beyond the powers of those who drafted this legislation to put forward regulations which they feel should flow from this particular provision.

There is one other element which I think ought to be brought to the attention of the House and which I intend to look at more carefully in committee. I refer to clause 14 which provides for removal, seizure and detention of vessels and goods where an enforcement officer has reasonable grounds for doing so. Having looked at the definition of "goods" in clause

2, I presume this could refer to fish catches and that these could be seized and detained. Provision is also made for goods which might be spoiled to be disposed of, the proceeds being subject, of course, to the decision of the court as to whether the act which caused those goods to come on board was an offence under the legislation.

Since this bill deals with fisheries and recreational harbours in Canada, I should just like to mention one happy development which took place a week or ten days ago. I received a call from a community where floats should have been out two or three weeks ago, but because of the breakdown of the departments vessel floats were not in place for the main tourist weekend of May 24. I believe tourist vessels were standing off Sidney pier in my riding, some 500 of them, waiting to come ashore, but the floats had been taken out because of the winter winds and had not been replaced. A couple of calls to me and a couple of calls by me to Vancouver, Victoria and the fisheries interests there turned up the fact that the vessel operated by the Department of Public Works which normally puts those floats in place had broken down and that therefore the floats could not be put out.

However, the Sidney municipality and the Department of Public Works got together—something which should happen more often—and got the floats out for the next holiday weekend. When I came in to land on the Friday morning with a group of Canada-U.S. parliamentarians, the floats were not in place, but they were promised for the Friday night, and they must have been put out on the Friday or Saturday morning because on the Sunday morning the Canada-U.S. parliamentary group went out to do some cruising in the waters of Haro Strait to see what damage might occur if tankers came through those waters, and the floats were in place. I think the officials should be thanked for the speed with which they responded to the request of the local authorities.

When I was making inquiries about these particular floats, I was told one problem was that there was no breakwater and they were exposed to the winds and the waves which come in so readily from the southeast into Sidney harbour. Therefore, the floats have to be taken up during the winter. I do not know why this has not occurred to those who operate small craft harbours, but surely vessels which have come to the end of their floating life could be sunk and act as breakwaters off these unprotected harbours. After all, this was one manner in which the Mulberry docks played a role during the landings in France on the beaches of Normandy, and this could be adapted to our harbours to protect them from the winds. Did we learn nothing from the war? Did we learn nothing from these techniques? As a matter of fact, I have suggested that some of these 250,000-ton oil tankers might be the most appropriate vessels to sink for this purpose. They would be serving a much greater purpose, filled with cement and breaking the waves and the winds on some of our exposed harbours, rather than running around as dangerous vessels under doubtful command on the high seas and in our narrow waters. However, I leave that as a suggestion which might be taken up at some time.

• (1230)

Since we are talking about fishery harbours, I feel there is room for comment on the Canada-United States fisheries relations and agreements on the west coast. I have asked the minister to produce a text of the interim reciprocal fishing agreement. An English text was provided to me, but it was not a complete one; there seemed to be some gaps in it. I suppose that was because of the manner in which it was photostated. The top lines of several pages seem to be missing, but I will endeavour to have that sorted out.

It was the English text of the Canada-United States reciprocal fishing agreement which was sent to me as a courtesy by the parliamentary relations division of the department. In this letter I find the reason the text has not been tabled. It is because the French language text is currently being examined by United States authorities. I should have thought Canada could have been able to provide an authentic French language text of any signed agreement. Of course, a copy would be sent to the other signatory, because both texts are considered authentic. I am curious to find out whether any changes are suggested once it has been examined by our neighbours to the south. In this country of ours, which prides itself on its bilingual character, we should be able to produce authentic texts and authentic translations in both languages before we put a signature to either.

I feel we should have this agreement before us. I heard rumours that there have been exchanges of notes, aides memoires and letters back and forth between Ottawa and Washington concerning the interpretation of this agreement. I should indicate that this agreement has been signed by both countries, but not ratified. I have been told that diplomatic exchanges are privileged documents. This is a matter which the hon. member for Peace River (Mr. Baldwin) has been arguing about for a number of years. The hon. member has urged upon this government and previous governments that there ought to be complete disclosure of documents affecting Canadians. If they affect negotiating positions, certainly that is understandable. The interpretation of a particular clause in an agreement is a matter of public knowledge.

Mr. Alexander: This government plays with public secrecy.

Mr. Munro (Esquimalt-Saanich): Yes, but it is a cover-up.

Mr. Alexander: Certainly.

Mr. Munro (Esquimalt-Saanich): It is extraordinary that diplomatic exchanges relating to this particular agreement should be considered privileged documents.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise on a point of order. I would like to have an explanation as to what the exchange of diplomatic notes and the signing of international agreements has to do with construction, maintenance and supervision of small craft harbours.

Mr. Alexander: If you cannot understand that, it shows you are not too clever.

Mr. Paproski: Explain it to him; he is not too clever.

Mr. Munro (Esquimalt-Saanich): I will explain it for the hon. member through you, Mr. Speaker. I am talking about reciprocal fisheries agreements between the government of the United States and the government of Canada.

Mr. Dionné (Northumberland-Miramichi): That has nothing to do with small craft harbours.

Mr. Munro (Esquimalt-Saanich): Well, fishing harbours are used by fishermen. It is as simple as that. If there were no fishing harbours, there would be no fishermen. This particular agreement is being worked out in a manner which will result in there being no fish, and thus no fishing harbours. Therefore, I suggest the point of order raised by the hon. parliamentary secretary has no relevancy to the present argument.

Mr. Dionne (Northumberland-Miramichi): It has more relevancy than your referral to diplomatic agreements.

Mr. Paproski: Go back to sleep.

Mr. Munro (Esquimalt-Saanich): There is relevancy in the particular line I am pursuing at the moment. We have had little opportunity to discuss the problems of west coast fisheries in this House. There are problems on the west coast relating to the division of fish caught there by Canadian and American fishermen. The United States federal court, in the State of Washington, made a ruling in 1974 concerning certain Indian tribes being provided with an opportunity to take one-half of the available salmon harvest in the United States. These salmon may be brought in to a fishing port or harbour. That ruling of Judge Boldt has led to further rulings which run counter to this particular agreement.

I would like to cite one particular clause of that agreement which can be found in article II(3), which indicates that the fishing by nationals and vessels of each party in the zone of the other shall continue in accordance with existing patterns, with no expansion of effort nor initiation of new fisheries. I mentioned this section in an earlier intervention which I made on amendments to the Criminal Code. One might ask how I got fisheries into the Criminal Code. That occurred as a result of the amendments to the Criminal Code under the Fisheries Act. At that particular time I was concerned, and I am still concerned, that the ruling of Judge Boldt, as agreed to by the United States regional consultative committee on fisheries, should have run counter to the particular clause I have just mentioned. It alters existing patterns and changes the effort—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with unanimous consent. Does the hon. member have unanimous consent of the House?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Paproski: Did Dionne say "No"?

[Mr. Alexander.]

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Yes, I did. I am glad the hon. member is aware of that fact.

An hon. Member: We all said "No".

Mr. Dionne (Northumberland-Miramichi): Just as one of your members said "No" to the Minister of Regional Economic Expansion (Mr. Lessard) the other day when he was speaking on a very important matter with regard to his department.

Mr. Munro (Esquimalt-Saanich): He probably deserved it.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, now we will get back to Bill C-7. The hon. member who has just concluded his remarks is concerned with the regulations governing fisheries harbours and pleasure craft harbours in this country, and that these regulations are not known at the moment. If he will look at section 9 of this act, he will see that the areas in which regulations may be made are very specifically defined. I suggest it would be a great burden to the House if every time the status of a small craft harbour were changed, or every time some measure concerning the supervision or regulation of those harbours were to be introduced, a bill had to be passed through the House of Commons. We would get even less legislation passed, in those circumstances, than we do now.

● (1240)

It is well known that though the government proposes legislation, the opposition disposes—and this opposition has not been disposed to make any great progress in that regard. I invite hon. members to look at clause 9, where we see what may be controlled by regulation. The subjects concern the maintenance of order, the safety of persons and property, the form of tickets which may be issued, and so on. I am sure the House would be excited at the prospect of designing the tickets which were to be issued.

To my mind it is important that the bill should be before the House now. Perhaps it should have been brought in earlier, but it was not. I say this because it is time the small craft harbour situation was rationalized. The coastline of Atlantic Canada is dotted with small craft harbours. They are all important, for various reasons. They are important for the development of tourism and also for the work of the boat construction industry.

As opportunities for leisure increase, increasing numbers of people have the time and the money to take up pleasure craft sports and recreation. There are, as well, the fishing harbours, and these possess an importance to many communities in Atlantic Canada which cannot be exaggerated. These communities grew up around the fishing industries in the early days. In fact, it was the abundance of fish which brought many of the early explorers from Europe to our eastern shores. The communities which have developed on the basis of fishing have a very strong attachment on historic grounds to the sea and to the products of the sea, and these harbours are very much a

centre of their activities. They are certainly the centre of their economies.

There is one clause in the bill which gives me some concern; it is the proposition to set up a fee structure under which small fishermen would pay for the use of these harbours. I hope a close look will be taken in committee at this proposal. As hon. members know, most of the fishermen on the Atlantic coast today find a great deal of difficulty in eking out a livelihood from the resources and markets available to them, without being hit by additional fees. I would, therefore, not be in favour of making small, part-time fishermen pay fees at the various wharfs they use.

I also wish to address myself briefly to the proposal to replace the wharfingers, who are now in charge of many of these small craft harbours, by harbour managers. I have no objection to this, as long as the harbour managers come from the local community and are familiar with the needs of the local community and of the people who use the harbours. We do not need so-called experts being transferred to these communities when they know absolutely nothing about the problems or the needs of the people there. I should like to see some form of consultation introduced with the local fishermen with respect to the appointment of wharfingers or harbour managers. I want to see these harbours managed for the benefit of the people who use them, and not by paper-pushers who are more concerned with filing reports than with making facilities readily available.

We have heard criticism as to the timing of this bill. Members have asked why it should be brought forward at this particular point. I would ask a counter question: Why not? It is time there was rationalization of the development of these fishing harbours. Many of them are too small now for the purpose for which they are needed. Also, it is time we gave thought to the nature of the development which is required. In addition, I would hope that as a result of this bill we would continue to attach greater significance, at least from a financial point of view, to those harbours which are used by people for the purpose of making a livelihood rather than for the purpose of pleasure.

I am not downgrading the place of pleasure craft or of small craft harbours in the development of tourism. Indeed, in my area there is a group at work trying to develop a marina both for local use and for the promotion of tourism. I support this effort, but I insist that the fishermen whose lives are completely dependent upon the resources of the sea and upon the related shore facilities must come first in the financial considerations of the department. I have no worries about this as long as the present minister continues to hold his portfolio. He has shown a lively interest in the well-being of the fishermen, and he has done a great deal in a relatively short period to improve their lot. I encourage him in this attitude and look forward to the day when we shall see a rational system of small craft harbours both for pleasure craft and for those who use the sea to make their livelihood.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I had not originally planned to enter the debate, but the hon. member for Esquimalt-Saanich (Mr. Munro) did ask a question. Looking through the bill, I find I have five or six points which I should like to make—hopefully, in brief fashion. First, and perhaps most important in my mind from a general standpoint, I think something should be written into the bill to require a separate report on its administration each year by the minister responsible. I believe such a provision has been included in other bills of this kind. It might be regarded as implicit that the minister should include this information somewhere in his annual report, but I do not think it would hurt to give a little backing to this measure and to the important thing which it does by having a report made by the minister. This could be arranged in committee. As a matter of fact, I shall try to get on that committee so that I can pursue the matter myself.

The second point is a constituency one. I look at the potentialities of a series of beautiful little ports along the coast of my constituency—Herring Cove, Portuguese Cove, Catch Harbour, Sambro—all of which qualify for what is intended under this act. But there is clause 3 of the bill which provides that the bill will not affect any harbour, wharf, pier or breakwater under the jurisdiction of the National Harbours Board or any harbour commission established under any act of parliament. This might rule out help for these four communities, either because the definition of the port of Halifax could be so large as to include them, or else the operations of the harbour commission could be such as to include them as well.

• (1250)

Perhaps the adviser to the minister, who is in the gallery, would make a point of doing some homework, which I obviously cannot do this morning since I just started to read the bill, to find out from the National Harbours Board or the Department of Transport what the situation is in that respect. It would mean that the four small communities I have mentioned would not have their day in the sun under this legislation.

Another point which I think is of concern is that "the minister" is not defined in the bill. There is a provision at the bottom of the first page which states that the "minister" means such member of the Queen's Privy Council for Canada as is designated by the governor in council to act as the minister for the purposes of this act. It seems to me to be a strange provision to have there. After all, the bill is in the name of the Minister of Fisheries and the Environment (Mr. LeBlanc) and presumably that hon. gentleman would be carrying out the legislation. He might find there is conflict with clause 3(b) which would prevent the minister named to carry out this bill from ever being an acting minister of anything else. I throw that out as a legal technicality, not of any great moment. But I think the act would look a little brighter if the minister responsible for it could be set out there, and I do not see any reason why he cannot.

The hon. member for Esquimalt-Saanich has questioned the regulatory powers set out in the legislation. It is quite common to have such regulatory powers in any piece of legislation that goes through the House. The hon. member who spoke follow-

ing him thought that the regulatory powers would be ones that very ordinarily should belong to the governor in council. I cannot make an assessment offhand this morning, although I would, if people were interested, get the best advice I could on the matter of the regulatory process and ensure that that information was shared with the members of the committee who examine the bill.

However, there is one provision for regulatory powers that I think could not only have unexpected results, but might land the Minister of Fisheries and the Environment in difficulty, and that is clause 9(d) which deals with the control of pollution at any scheduled harbour. That might involve the minister in all sorts of regulations that were not primarily intended for the basic purposes of the act, which are to deal with fishing and recreational harbours, but might make him set foot beyond wharfs, piers or breakwaters, in inland topics more properly to be dealt with under some other act of parliament. So I question whether that subclause does not go too far.

Finally, I give a warning: Never fish from a derelict wreck. If you do, and the officials appointed under this act came along and saw you fishing peacefully, they might think that you appear to be in charge of the vessel, as set forth in clause 14(1), and get you embroiled in a long legal process that not only may cause you to spend a great deal of money but may also ruin your whole morning as a fisherman.

Mrs. Holt: That could give lawyers a little business.

Mr. McCleave: Both our hearts are in the right place—it would give lawyers some business, unless they happened to be the persons sitting there peacefully fishing from a wreck in some small harbour and the enforcement officer tapped their shoulders. I am mainly concerned about the need for an annual report, and I hope the government will consider it and we will not get into a protracted row in committee when the matter comes before them. Also, I think there should be an exact definition of "the minister responsible", and I hope officials of the department will be good enough to advise me as to whether the four small fishing communities I mentioned can fit in within the act and not be part of some strange jurisdictional dispute involving the National Harbours Board or the port of Halifax commission.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I am glad to participate at this stage of the debate on Bill C-7, but I will not become involved in any protracted debate. As I understand it, the subject matter of this bill was first set out in legislation way back in 1895, and somewhat revised in 1937. Since then there has been no fundamental change in the harbours, piers or wharves administration. So certainly a bill such as this, on fishing and recreational harbours to consolidate and, in the words of the parliamentary secretary, to rationalize many of the problems in the administration of the small craft harbours, is undoubtedly relevant.

I must say that when I heard the parliamentary secretary use the word "rationalize", I thought he used it not glibly but lightly. All bills must have regulations that come forward later and, as the hon. member for Halifax-East Hants (Mr. McCleave) suggested, if his suggestion is accepted there will be annual reports stating what took place in the administration of small craft harbours, and unfair and perhaps contradictory regulations can be corrected. What concerns me very much, coming from the area to which the parliamentary secretary referred—

The Acting Speaker (Mr. Turner): Order, please. It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

INFORMATION

SUGGESTED INQUIRY INTO ALLEGATION GOVERNMENT ATTEMPTING TO INTIMIDATE NEWS MEDIA—MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a motion under Standing Order 43. The urgent and pressing circumstances which appear in the motion are particularly prompted by recent alarming events which indicate an intent within the government to intimidate the news media. I move, seconded by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn):

That this House, deeply concerned by certain recent dangerous events, such as public comments by the Prime Minister and supporters against CBC in connection with reporting on Quebec, the implied threat by a Cabinet minister to the broadcasting industry that they might be called to account before a Royal Commission and in particular the alleged serious action on behalf of the Minister of Transport to prevent publication of *The Canadian Magazine* in Saskatchewan last weekend, and a statement by a supporter of the government, the hon. member for Maisonneuve-Rosemont, referred to in today's *Globe and Mail*, that there is "a phobia in Ottawa to domesticate this power of the press . . . to harness it", calls for an immediate inquiry into these events by a committee of this House or under the Inquiries Act.

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

Some hon. Members: Agreed.

Some hon. Members: No.

POST OFFICE

PROPOSED INQUIRY INTO OPERATIONS—MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In light of the continued deterioration in the service offered by Canada's post office as documented by press articles and the increasing flow of letters of protest from constituents to members of parliament, a situation further aggravated by the current breakdown in contract negotiations over a matter that would have been insignificant if the post office management had introduced modern industrial relations practices into the post office department at the time when the decision was made to move rapidly into mechanization and automation, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the government immediately set up a joint parliamentary committee similar to the committee that studied the 250 recommendations for improvement in employer-employee relations in the Public Service, a situation that has been further exacerbated by the government's failure to act on the Finkelman committee report, to examine in depth the Canada post office and to recommend solutions for the current crisis which has resulted in deteriorating service, a breakdown in labour management relations with the CUPW and the problems with mechanization and automation in the Toronto area that have been playing havoc with mail service throughout Metro Toronto and across Canada.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House for the presentation of such a motion for debate. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

SUGGESTED COMMITTEE STUDY OF POSTPAK PROGRAM—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In light of conflicting information in regard to the Postpak program of the Post Office Department where on the one hand departmental officials have informed the Canadian Trucking Association that Postpak has always been profitable and on the other, the Postmaster General (Mr. Blais) told the Standing Committee on Transport and Communications that it has only been profitable since December 1976,

● (1410)

I move, seconded by the hon. member for Brandon-Souris (Mr. Dinsdale):

That the whole matter of Postpak be referred to a joint parliamentary committee to examine in depth the Postpak program which is causing serious problems for the Canadian trucking industry and to determine the economic feasibility of this program.

Mr. Speaker: Order, please. Standing Order 43 requires the unanimous consent of the House for the presentation of such motion for debate. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Alexander: The Postmaster General said no again.

* * *

PORNOGRAPHY

PROPOSAL THAT COMMITTEE STUDY EXTENT OF MATERIAL DIRECTED AT CHILDREN—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Since hard core pornography, in particular abusive child pornography, produced in the United States is now entering Canada through several ports of entry in our larger urban centres; since representations have already been made to the Minister of National Revenue (Miss Bégin) which would in effect limit the number of ports of entry; and since the incidence of pornography involving the use of children is increasing dramatically, I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the Prime Minister immediately establish a House of Commons task force that would study the extent of child pornography in Canada and report back to the House of Commons with specific recommendations within 90 days.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the presentation of such motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF CUBAN DELEGATION, HEADED BY COMMISSIONER A. MARGOLLES, VICE-MINISTER OF FISHERIES

Mr. Speaker: Order please. Before we begin the oral question period may I direct the attention of the hon. members to the presence in our gallery of the distinguished Cuban delegation attending the ICNAF meetings presently underway in Ottawa, headed by their distinguished vice-minister of fisheries, Mr. Commissioner A. Margolles.

Some hon. Members: Hear, hear!

Oral Questions

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

REQUEST FOR INQUIRY INTO OPERATIONS AND TABLING OF MANAGEMENT STUDIES

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, because of the vital importance of a speedy, efficient and reliable postal service to the well-being of the Canadian community and Canadian business, particularly the small business sector, and in light of the threat once again of a strike by the inside postal workers this summer, would the Postmaster General consider recommending the immediate establishment of a joint, non-partisan parliamentary committee patterned after the joint committee which studied the 250 Finkelman recommendations for employer-employee relations in the Public Service, to examine the Canada Post Office operation and to recommend solutions?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, the post office has always been a non-partisan department. It has always received much co-operation from members of the opposition, and I am sure the hon. member advanced his suggestion in that spirit. As the hon. gentleman knows full well, one of our difficulties is this: we have been examined too much. Hopefully, in the immediate future we shall engage in constructive negotiation in order to assure the Canadian people of continuous postal service. As of today we forwarded another invitation to inside postal workers to come back to the bargaining table in accordance with the suggestion of Mr. Brown of the Public Service Staff Relations Board last Friday. We hope the union will see fit to return.

Mr. Dinsdale: A supplementary question, Mr. Speaker. If the Postmaster General will not set up such a committee will he, at least, table the various management studies which the post office has done and commissioned, so that the Canadian public can get a glimpse of why the Post Office Department is in such chaos. Will he also urge his colleague the President of the Treasury Board to table legislation based on the Finkelman report as evidence of the government's intention to improve employee-employer relations in the Public Service?

Mr. Blais: Mr. Speaker, I am amazed at the hon. gentleman, who in the past has always been helpful to the post office, for alleging—I do not accept his allegation—that the post office is in chaos. Indeed, the hon. member is merely encouraging the confrontationist attitude adopted by the members of CUPW. He knows full well that one of the tactics of that particular union is to attempt to demoralize management in the Post Office in order to advance its own bargaining positions. Surely, the hon. member is not intent on assisting them in that particular tactic.

Mr. Dinsdale: Maybe I can get the point I am trying to make to the Postmaster General in a third question in spite of his belligerency. Is the Postmaster General considering positively the suggestion of the Canadian Union of Postal Workers to set up a royal commission study of the Post Office with a view to involving the postal workers more directly in the planning process for technological change,—they have been left completely out of the planning process—a procedure that has been followed in all other modern industrial nations, as an alternative to the confrontation strike pattern that has brought Canada's postal service to the precipice of disaster or does he feel that his pre-written form letter campaign is all the action that is necessary at this time?

Mr. Blais: Mr. Speaker, the hon. member knows full well that since my appointment I have attempted to engage the CUPW in consultation. We have invited them to all intergroup sessions we have held very successfully with the LCUC. We have attempted to change the win-lose power struggle that has been in the Post Office for the better part of this decade as a problem-solving mode. We have done that with the LCUC. We have excellent relationships with the other unions. If the hon. member does not know, he ought to know that the CUPW has adopted within its constitution a confrontational stance. It is using nineteenth century union tactics. The hon. member ought to know that. He himself has chastised that particular union for not attempting to cooperate with us in solving those problems relating to mechanization for technological change. As the hon. member knows, article 29 in the collective agreement provides for that. We have been in constant consultation with that union. Because of the stance they have taken constitutionally of not cooperating but confronting, it makes it very difficult for us to do what the hon. member suggests. He is not helping at all by the very destructive suggestions he is putting forward.

Some hon. Members: Hear, hear!

PROPOSAL FOR DECENTRALIZATION—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, it is too bad the Postmaster General does not receive any mail. He would then understand that people are truly concerned and disappointed with the type of mail service they are getting and for which they are paying exorbitant prices. In light of the massive and increasing number of mail handling problems referred to Ottawa each day by local post offices in major cities, and I point out particularly Hamilton and Toronto, when is the Postmaster General going to truly decentralize the Post Office so that such problems raised in the local post office can be settled fairly and expeditiously at the local level, thereby eliminating or reducing references to Ottawa which invariably cause undue delays and lowers morale?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, I suggest that the hon. member consult with the hon. member for Brandon-Souris. He would then know of the type of background information I have made available to all hon. members in order to provide them with the information necessary to answer inquiries from their constituencies. The information I have made available is factual. It provides the sort of

replies the hon. member ought to have as evidence by the question he is asking.

REASON FOR REFUSAL TO ALLOW UNIONS TO POST BULLETINS ON BULLETIN BOARD

Mr. Lincoln M. Alexander (Hamilton West): I ask the Postmaster General to update this action which he says is in effect but which I do no think is in effect. In other words, I do not believe the Postmaster General. With regard to the minor issue of posting union bulletins in post offices about which the Postmaster General has taken a tunnel vision approach, why has the Postmaster General disallowed this, which decision in effect has frustrated and stymied the continuation of labour negotiations with CUPW?

● (1420)

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, I wish the hon. gentleman would inform himself prior to putting questions to me. There has been no stymieing at all in regard to bulletins being put on the bulletin board. All we have said is that, in accordance with the collective agreement which is in force, a request has to be made of supervisory personnel before material is posted on the bulletin board or otherwise distributed. Surely, we are still in charge of the post office.

* * *

ENERGY

THREAT BY OIL COMPANIES TO STOP DRILLING IN MACKENZIE DELTA—GOVERNMENT POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and it has to do with the announcement by Gulf Oil and Mobiloil, who have followed the example of Shell Oil, that they will do no further drilling in the Mackenzie valley delta until the federal government approves a pipeline and sets out new land regulations. They have also decided not to stockpile at their northern bases any of the equipment and supplies necessary for drilling this coming winter. What action does the minister propose to take with respect to this threatened strike by the oil companies, which has all the appearance of being an attempt at blackmail to influence the government to make a decision which is in the interests of these particular oil companies?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think as the hon. member has suggested the oil companies have left themselves open to the charge that they are attempting some form of blackmail. I would regret that interpretation. Perhaps the real reason is that they place greater importance on the views of the New Democratic Party with respect to the need for a pipeline.

OIL—POSSIBLE SUSPENSION OF PRICE INCREASE IN VIEW OF SUGGESTION COMPANIES WILL STOP DRILLING IN MACKENZIE DELTA

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, that is a pretty tame answer which is not going to frighten the oil companies very much. In view of the fact that when the minister announced that over the next 12 months there will be an increase of $2 a barrel in the price of oil he gave as a reason the need for the oil companies to be able to accumulate a larger cash flow to carry out exploration in Canada, and since it is apparent that the three companies in question do not intend to carry on a certain amount of drilling or any drilling at all in the Mackenzie valley delta, does the minister intend to drop the idea of an increase in the price of oil until such time as the oil companies agree to spend this additional money on oil exploration in Canada?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): No, Mr. Speaker, there is no intention of dropping that proposal. As the hon. member must realize, the choice of where a corporation spends its exploration money is that of the corporation itself. We have made it very clear that we believe that cash flows are important in order to ensure that that exploration activity does take place and is funded by cash flow. The hon. member knows that at the present time a bill has been introduced in the Senate dealing with the monitoring of such cash flow and its application to exploration in Canada.

OIL—SUGGESTED LEGISLATION TO FORCE COMPANIES TO SPEND MONEY ON EXPLORATION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A final supplementary question, Mr. Speaker. In view of the fact that the government's own monitoring survey shows that cash flow by the oil industry has increased from $1.3 billion in 1971 to over $3 billion in 1976, while at the same time the percentage of cash flow which has gone into exploration in Canada has dropped from 87.9 per cent to 78.4 per cent and the amount of money which these companies have spent in exploration outside Canada has gone from $34 million to over $231 million, is it not apparent that merely monitoring what happens to cash flow is not sufficient? Is he now prepared to consider mandatory legislation which would require the companies to spend their cash flow, which they get out of the pockets of Canadian consumers, on exploration in this country?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. member were not so selective in his figures, he would have understood that there has been a substantial increase in exploration activity and a significant application of the cash flow for exploration purposes. He has taken the year 1971. If he were to take the next year, 1972, as I pointed out to him before in this House, a year before the major increase in prices, he would find the percentage of funds which has been allocated for exploration and development. When comparing 1976 to 1972, the last year

before the price increase, in percentage terms they compare very favourably.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Not at all.

Mr. Gillespie: He will also find out that there were very substantial sums of money devoted to exploration and development in Canada. I am referring to an increase amounting to billions of dollars. As the New Democratic Party would hope, the government does not intend to tell the companies where they should drill. We believe the corporate sector is the best judge of the risks involved and the best judge of where they are likely to find oil and natural gas.

[*Translation*]

POSSIBLE DISCOVERY OF OIL IN EASTERN CANADA—MINISTER'S POSITION

Mr. C. A. Gauthier (Roberval): Mr. Speaker, my question is also directed to the Minister of Energy, Mines and Resources. It also deals with oil, but in another area.

In the May edition of *Canadian Petroleum*, there is an article signed Martin Kelly where we can find data on important oil and gas fields in Labrador and Newfoundland. These data have been established by the Canadian Armed Forces but they are kept secret on the Sherness base, near Halifax. Therefore I want to ask the minister whether it would not be more advantageous for Canada to invest in an eastern project where it is possible to extract 15 billion barrels according to Gulf Oil and Imperial Oil, twice as much as the potential for both the Mackenzie delta and the Beaufort Sea. Moreover, can the minister tell the House whether these data will be made available to the Canadian industry in the near future?

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. member is talking about information which has been obtained from avionics equipment on overflights by the Argus plane with respect to the areas, that information is available. It is not information which would indicate the presence or non-presence of oil and gas. I checked into that particular question a week or two ago when a similar question was put. I was satisfied that that information is not the kind of information which can be used to determine the presence of major hydrocarbon deposits in the offshore. The major reason activity is not going on, at the present time, is that the government of Newfoundland adopted a very intransigent position with respect to the permit rights of the EastCan group. I suspect that was largely because of the influence of the former minister of energy and mines for that province, who now sits as the energy critic for the Tory Party.

[Mr. Gillespie.]

CONSUMER AFFAIRS

ALLEGED MISREPRESENTATION IN POST OFFICE ADVERTISING—GOVERNMENT ACTION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. I want to assure him that I ask this question with great seriousness and I hope he will take it under consideration. It deals with the misrepresentation of facts applied by the assured mail program of the Post Office. In view of the fact that studies done by a number of people including Alderman Ying Hope and organizations such as the Toronto *Globe and Mail* show without doubt that mail posted one day is not delivered the next day, will the Minister of Consumer and Corporate Affairs take action against the Postmaster General to ask him to cease and desist from this misleading type of advertising?

● (1430)

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): I will be happy to take seriously the point the hon. member has raised and will consult with my colleague.

Mr. Gillies: Is it, then, the minister's policy that when actual evidence is brought to bear that misleading advertising is taking place in this country, that his department will do absolutely nothing about it and that private corporations which are involved in misleading advertising need not worry because it is the policy of the government to allow the Post Office to get away with misleading advertising when they will not let it happen in the private sector?

Mr. Abbott: I am sure the hon. member realizes that legally and technically there is no way in which one arm of Her Majesty's government could prosecute another, even were the grounds for doing so to exist. So, when he makes an allegation of misleading advertizing about a government department the best I can do, and I have undertaken to do so, is to sit down with the minister and examine the advertizement about which he is speaking and take the matter into consideration.

Mr. Gillies: When will the Minister of Consumer and Corporate Affairs report that he has taken this action, one which I consider to be completely inappropriate; he should be talking to the Solicitor General and finding means by which to cause the government to live up to the things it has promised to do. When will the minister report to the House? Will it be tomorrow? The operations of the Post Office in this nation are disgraceful.

Some hon. Members: Hear, hear!

POST OFFICE

POSSIBILITY OF REORGANIZING INTO CROWN CORPORATION

Hon. George Hees (Prince Edward-Hastings): I, too, have a question for the Postmaster General. In view of the successes achieved by the United States and United Kingdom post offices after their reorganization into semi-private and Crown corporation types of organizations respectively, is the Postmaster General considering either option for resolving the present chaos in the Post Office which is making delivery by Pony Express seem fast by comparison?

REQUEST FOR TABLING OF STUDIES SHOWING PROFITABILITY OF POSTPAK—REPRESENTATIONS FROM TRUCKERS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question for the Postmaster General. In the light of the hon. gentleman's assertions that Postpak became profitable last December, despite the fact that his officials have been claiming that it was always profitable, will he table the studies which show its profitability?

Hon. J.-J. Blais (Postmaster General): I am very pleased the hon. member for Winnipeg South Centre has drawn the attention of the public to one of our very successful programs, Postpak, which is making the Post Office an even more competitive enterprise and is, in addition, providing extra revenue, thereby reducing the obligations upon the taxpayers of Canada.

Mr. McKenzie: I suggest the Postmaster General should read his mail from the trucking organizations. Has he studied the claim of the Canadian Trucking Association that the only reason Postpak is profitable is the cross-subsidization which is forcing many truckers out of business because of unfair competition from the Post Office—as if unemployment in this country is not already high enough?

Mr. Blais: Yes, I have read the brief and I am very pleased that they are feeling the rub of competition. We are in competition with private enterprise in a number of ways in the Post Office and we are competing very effectively indeed.

* * *

INCOME TAX

POSSIBILITY CASH ADVANCES ON FARM STORED GRAIN WILL BE TAXED

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is addressed to the Minister of National Revenue. In view of the recent indication that her department will be levying income tax on cash advances on moneys which are given where interest is not paid, may I ask whether this is to include cash advances on farm stored grain and other agricultural products, or are these to be excluded?

Hon. Monique Bégin (Minister of National Revenue): I will look into the matter and report to the House or directly to the hon. gentleman as soon as possible.

* * *

[*Translation*]

TRADE

PROPOSAL TO BUILD RAILWAY IN VENEZUELA—MINISTER'S POSITION

Mr. Yvon Pinard (Drummond): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Having returned from South America, can he tell the House about the results of his representations in favour of Canada with regard to the construction of a railroad in Venezuela?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker. Last Friday, I met the president of Venezuela, and as a result of that meeting Canada has been invited to form a consortium with Spain to build a railroad in Venezuela. We have been chosen as main contractor for the construction of a 700-kilometre railway which should cost about $1 billion. As you know, that is the first phase of a 3,000-kilometre railway which will mean a lot of work for the locomotive, track and car industry in Canada, as well as for Canadian technology since the railway will depend on North American technology and will be designed by Canadian experts.

* * *

[*English*]

POST OFFICE

LEGALITY OF SALE OF NON-PHILATELIC MATERIAL—USE OF FINANCIAL ADMINISTRATION ACT TO RAISE RATES

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is for the Postmaster General. In view of the failure of the Post Office to heed the recommendation of the Auditor General to bring forward enabling legislation to sell non-philatelic material, a recommendation made because of the Auditor General's belief that the Post Office is acting above the law, does the hon. gentleman still claim that section 13 of the Financial Administration Act gives him the power to raise postal rates by regulations?

Hon. J.-J. Blais (Postmaster General): I fail to see the connection between the two aspects. Yes, I do feel that section 13 of the Financial Administration Act permits us to raise the rates by order in council. In answer to the first question, we have reviewed this matter, we have examined the recommendation and legislation is being prepared. But we still feel we are entitled to sell a limited number of non-philatelic items which, of course, include postage within the transaction which is being made.

I should like to indicate, as well, with reference to a previous question involving the assured mail program that the term

"assured mail" has not been used since 1976. If the hon. member for Don Valley has some allegation he wishes to make I wish he would make it to me because I have not seen any advertizing of the type he mentioned used since 1976. But the proportion of this mail delivered the next day is 85 per cent on the national average and delivery by the next day but one is short only 2 per cent, so it is 98 per cent for the next day plus one.

* * *

FINANCE

POSSIBLE USE OF FINANCIAL ADMINISTRATION ACT TO SET TAX RATES

Mr. Bruce Halliday (Oxford): In light of the minister's positive response to my last question I would like to direct my supplementary to the Minister of Finance. Section 13 of the Financial Administration Act states a minister can prescribe a rate for any service by regulation and since the government provides many services to Canadians, could the hon. gentleman tell the House if he intends to follow the trend set by the Postmaster General and bring in future tax provisions by regulation?

Hon. Donald S. Macdonald (Minister of Finance): The opposition makes an interesting recommendation but I do not think I could accept it.

* * *

ENERGY

POSSIBILITY OF TRANSPORTING ALASKAN OIL BY PIPELINE OR RAILWAY—GOVERNMENT POSITION

Mr. Stuart Leggatt (New Westminster): May I address a question to the Minister of Energy, Mines and Resources, Mr. Speaker? It concerns the continuing threat of pollution to the southern offshore waters of British Columbia following the decision by Kitimat to withdraw its application for permission to construct a pipeline. Can the minister tell us whether his department has given any serious consideration by way of a study into transportation by Canada of Alaska oil overland either by pipeline or by rail? Would he advise us whether the decision by the Hall Commission to recommend rail as a form of transportation in these circumstances and the Queen's University study which similarly recommended rail have been co-related into a study of an alternative route for Alaskan oil over British Columbia or thereabouts so that we might avoid the hazards of water transportation in our coastal waters?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): When the United States government made the decision to go the Alyeska route, as far as Canada was concerned, it ruled out the possibility of moving Prudhoe Bay oil across Canada.

Mr. Leggatt: So that the minister might understand more particularly, might I say that a rail connection to Alaska would connect the whole of northern British Columbia and Alaska with both the Canadian trans-continental system and the United States trans-continental system and would also complete the British Columbia railroad to the north.

● (1440)

The reason I ask whether serious consideration has been given to this is that the government has known for a very long time that the risk of pollution as a result of the presence of oil tankers off our shores is great. What I want the minister to advise us is whether he or his department have made any positive proposal to the U.S. government, either in terms of an alternate oil port or in terms of land transportation. What have we proposed to the Americans to avoid the dead certainty of pollution of British Columbia waters so that they would have an option that would be acceptable to Canada?

Mr. Gillespie: As the hon. member knows, the government is not in a position to make a proposal to the United States with respect to an oil pipeline from Alaska through British Columbia, if that is the suggestion he is making. The National Energy Board was set up by parliament to consider, upon application from various companies, as to whether or not a certificate of public convenience and necessity could be issued. Clearly the initiative with respect to such a move would have to come from a group of corporations in the private sector, which application would then have to be heard by the National Energy Board to determine whether it is in the national interest that a certificate be issued.

* * *

POST OFFICE

MEASURES TO ASSURE SERVICE IN VIEW OF POSSIBILITY OF STRIKE

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is supplementary to the Postmaster General. In very combative replies today, without giving much information, the Postmaster General has refused to publish studies that have been conducted into the effectiveness of the Post Office; he has rejected either a joint parliamentary inquiry into the operations of the Post Office or a royal commission, and he has publicly attacked CUPW. We know what he is against, we know what he is not prepared to do, but what we are interested in knowing is what he is doing and what he intends to do to ensure that Canadians receive mail after June 30 and that there is an improvement in the Canadian postal services now. Can he tell us positively what he is doing, and can he give us a guarantee that there will be a new contract signed before June 30 or on June 30?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, surely that last request is not serious, or else the hon. gentleman is showing a greater naiveté than has been attributed to him. I would simply indicate to him that we are doing our best,

notwithstanding questions from the opposition today, to stress the positive in the Post Office. Going back to the bargaining table and inviting CUPW back to the bargaining table, so that indeed we can have a collective agreement signed before June 30, is what we are trying to do. Judging from the very negative questions that have been directed to me by the opposition, I do not believe they are being very helpful at all.

Some hon. Members: Oh, oh!

REASON FOR REFUSAL TO TABLE MANAGEMENT STUDIES OR HOLD INQUIRY INTO OPERATIONS

Mr. Joe Clark (Leader of the Opposition): The matter of having the mail delivered on time or at all may not be serious to the Postmaster General, but it is serious to a number of Canadians who might be looking forward to receiving pension cheques and to a number of Canadian small businesses which might be looking forward to having their businesses carry on. Would the Postmaster General, who claims he is doing the best he can do—we all know the results of that—tell us why he refuses to publish the studies that have been made into the Post Office, and will be tell us why he refuses to consider seriously the proposal to have a joint parliamentary inquiry into the operations of an agency of the government of Canada which, despite his defenses in the House of Commons, obviously to every Canadian who tries to get his or her mail is not working today?

Hon. J.-J. Blais (Postmaster General): Very simply because negotiations with a very combative union that I have described as exercising nineteenth century union tactics, are very difficult at the best of times, and we can only complete successful negotiations when there is no undue publicity. What the hon. gentleman is suggesting is completely counterproductive to achieving that particular end.

Some hon. Members: Why?

An hon. Member: Let us have Finkelman's legislation at least.

* * *

INFORMATION

ALLEGED INTIMIDATION OF NEWS MEDIA BY GOVERNMENT—ATTEMPT BY TRANSPORT MINISTER TO SUPPRESS PUBLICATION OF "CANADIAN"

Mr. G. W. Baldwin (Peace River): My question is for the Acting Prime Minister. Will the government take steps to discontinue its policy of intimidation against the news media so that the public can receive facts and information which it refuses to disclose and, in particular, will the government dissociate itself from the alleged action of the Minister of Transport in suppressing or attempting to suppress the publication in Saskatchewan of the weekend magazine *Canadian*?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, on the first point, obviously there is no such policy of intimidation either on the part of the government or the opposition. If there were such, it is obviously very unsuccessful and should be abandoned.

Some hon. Members: Hear, hear!

Mr. MacEachen: On the second part of the question, I must say that I have only heard fragments of information that might provide the basis for an answer to the hon. member's question, and with that fragmentary information I hesitate to provide any answer at all. I hope that tomorrow I may be able to answer it in more detail, or the Minister of Transport may be present.

Mr. Baldwin: May I try, with some success I hope, to increase the minister's knowledge? Will the government cooperate in holding an inquiry by a committee of the House or under the Inquiries Act into this question of intimidation as illustrated by statements of the Prime Minister and others in respect of CBC and the broadcasting media and, most important, the alleged action by the Minister of Transport to prevent publication of the *Canadian* magazine in Saskatchewan, and the statement by the hon. member for Maisonneuve-Rosemont, which are plainly indicative of improper pressure by the government on the news media?

* * *

TRANSPORT

REQUEST FOR INQUIRY INTO ALLEGATION SINKING OF "WILLIAM CARSON" CAUSED BY POOR DEPLOYMENT OF ICEBREAKERS

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I have a question for the Acting Prime Minister. It is in connection with the sinking of the ferry *William Carson* last Thursday. Is the Acting Prime Minister aware of the statement of the hon. member for Gander-Twillingate, the Parliamentary Secretary to the Minister of National Revenue, that the sinking would have been avoided had there been a proper deployment of icebreakers off Newfoundland and Labrador, that the present deployment is scandalous and the sinking of the *William Carson* a prime example of this deficiency? Does the Acting Prime Minister agree with these comments of the parliamentary secretary, and if he does not will he have an immediate investigation carried out and a report made on icebreaker deployment and its relationship to the sinking of the *William Carson*, and will he have the results of this inquiry made public as soon as possible?

Hon. Ron Basford (Acting Minister of Transport): Without commenting on those reports which I have not seen, as acting Minister of Transport I will inform the hon. member that an investigation by the Department of Transport is continuing and of course the matter will be investigated.

Mr. Crosbie: The Parliamentary Secretary to the Minister of National Revenue, who is part of the ministry, has said that there is only one icebreaker for Newfoundland and Labrador and that the other is on lease, that four or five icebreakers are

sitting idle at Dartmouth, and that has contributed to the sinking of the *William Carson*. Will the minister have these allegations investigated and will he report to the House? What is the situation with respect to the propriety of a member of the ministry making these statements which indicate a scandalous lack of knowledge and scandalous behaviour by a government minister?

Mr. Basford: Before responding to the hon. member I would like to check the statements first to make sure they are free of exaggeration. With regard to the shortage of icebreakers, should that be the case, the hon. member will be happy to know that Her Excellency, Madam Leger and I launched a New Class III Arctic icebreaker in Vancouver last Friday night.

Some hon. Members: Hear, hear!

* * *

AGRICULTURE

POTATOES—IMPACT OF FREIGHT RATE INCREASES

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Agriculture. With respect to the announcements last week by the railroads of an increase in the rail rate on the movement of potatoes from Prince Edward Island and New Brunswick of 20 per cent on September 1 and of 12 per cent next January 1, and the subsequent meeting which took place in Charlottetown of those representing various aspects of the potato industry including federal representatives, a meeting at which, I understand, the Department of Agriculture was not represented, can the minister indicate whether his department has had a chance to analyse the impact of that announcement on the potato industry, particularly with respect to next year's sales in central Canadian markets? Second, in view of the regular increases over the last five years of something like 10 per cent each year, has any explanation from the railroads been requested?

● (1450)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I want to put the record straight. I am sure the hon. member did not mean to suggest that I did not meet with the potato marketing board. I did meet with the Prince Edward Island Federation of Agriculture, and I received a brief from that federation. I have discussed this with my colleagues here in Ottawa. The premier of Prince Edward Island is coming here on, I believe, June 17. Unfortunately, I will not be here that day because of another commitment. I have to be out of the country. However, he will know what my feelings are because I have discussed it with him personally. He knows what my intention and the intention of the government is at the present time. I have not made this intention public, but I think potato growers will be satisfied with our decision when it is made.

Mr. MacDonald (Egmont): Mr. Speaker, I think it would be useful if the minister would put some of the views of his department on the record, inasmuch as he was fairly forthright earlier in terms of the necessity of establishing a new fleet of refrigerated cars for potato growers in those two provinces. With respect to the statements which were made by the railroads concerning the necessity of this rate increase because they were going to bear the cost of these new cars and with respect to the misleading information that no significant increases had occurred before the two which were to be announced for this fall and for next January, has the minister taken steps to correct that seriously misleading information provided by the railroads, and can he give us some information because of the urgency of having some decision made in terms of having these cars available for next year's season?

Mr. Whelan: Mr. Speaker, I had a discussion with my officials this morning, and we discussed this very topic. As I said, we will be discussing it further with those of my colleagues who are concerned with this. I have very strong views on providing equipment, etc., and I realize the importance of having that rolling stock for this year's crop when it is harvested.

POTATOES—EFFECT OF SUPPLYING ROLLING STOCK TO RAILROAD ON RATE INCREASE

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I would like to ask the minister if the supplying of the rolling stock as proposed by him will be enough assistance to the railroad that it will be able to withdraw any request for any increase in rate whatsoever for the forthcoming season.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, that depends on the progress we make on my submission.

* * *

EXTERNAL AFFAIRS

CONFERENCE ON INTERNATIONAL ECONOMIC CO-OPERATION—REQUEST FOR STATEMENT ON RESULTS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Acting Prime Minister. I believe the Acting Prime Minister has just returned from an extremely important conference in Paris known, I think, as the North-South Conference in which trade relations between the developed and the developing world were discussed. I would like to ask the Acting Prime Minister if he will make a statement to this House on the outcome of the conference and on any obligations Canada might assume as a result of the conference.

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Gillies: Why are you applauding? It was a failure.

Mr. MacEachen: The Conference on International Economic Co-operation in Paris has concluded. Twenty-seven nations

were represented. The conference concluded with an agreed joint statement by all 27 participants in which all participants acknowledged that this had been a useful exercise in terms of broadening their understanding of international questions, and they committed themselves to continuing the dialogue.

Mr. Gillies: It was a failure.

Mr. MacEachen: In my estimation the conference achieved substantial results in very important fields, although there were disappointments on both sides. In my view the conference had a very positive result, and that analysis is shared by other leaders on both sides of the conference.

Mr. Gillies: Have you read the reports about 21 items of disagreement?

Mr. Brewin: I wonder if the minister could make a statement to the House, which could be commented on, as to the points on which there was success and as to the points on which there was no success, because this is a matter about which all the people of Canada are concerned and about which they should be interested. We would like the fullest possible explanation from the minister.

Mr. MacEachen: Mr. Speaker, I intended to tell the hon. member, in direct response to his question, that I have under consideration making a lengthier statement to the House on this question so that hon. members can comment, and in this way I might be able to answer in more detail those questions which are raised. I did use this occasion to make a brief reply, if only to counter what I consider to be highly irresponsible interjections by the hon. member for Don Valley.

Some hon. Members: Hear, hear!

CONFERENCE ON INTERNATIONAL ECONOMIC CO-OPERATION—REASON FOR DISAGREEMENT

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my supplementary question is directed to the Acting Prime Minister, and it relates to the disappointments to which the minister himself referred in connection with the North-South Conference. Inasmuch as the final communique listed 20 points of agreement but 21 points of disagreement, which led to the appropriate interjection of the hon. member for Don Valley, were these disagreements brought about by the intransigence of the oil producing nations to enter into an energy dialogue with industrial countries so that the price of oil over the next few years could be stabilized?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, the hon. member referred to items at the conference upon which there was agreement and upon which there was disagreement. That, of course, reveals that there are still differences of opinion between the two groups on quite a number of issues, but there has been agreement on some very substantial issues, issues upon which the position, for example, of the industrialized countries has moved rather dramatically in the last three months.

The disappointment on the side of the industrialized countries, referred to as the group of eight, was basically at the failure of the conference to agree that there ought to be a continuing dialogue on the question of energy. The hon. member asks me to identify the cause of that failure. Certainly the total group of 19 took that position—the OPEC oil producing countries and non-oil producing, developing countries—and even to the present time some of the aspects of the dynamics of the negotiations are still obscure to me, even though I was there, but I do believe that the leadership against that dialogue seemed to come from a certain element of the OPEC countries. That is the answer I would like to give.

CONFERENCE ON INTERNATIONAL ECONOMIC CO-OPERATION—POSSIBILITY AID OFFER REVIEWED IN VIEW OF DISAGREEMENT

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, following the disappointing conclusion of the conference last week the Secretary of State for External Affairs told the press that Canada's offer which was made at the North-South Conference may have to be reviewed. Can the minister state whether it is the policy of the government to review the aid offer which was made at the North-South Conference upward or downward?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I noticed a press report which attributed such a statement to the Secretary of State for External Affairs. It was a press report which obviously came prior to the conclusion of the conference. It was open to the industrialized countries to withdraw the rather substantial commitments they made in the early stages of the conference, in the face of the refusal of the developing countries to agree to a continuing energy dialogue. However, after careful consideration by all members of the group of eight it was decided that in the interest of a positive conclusion and in the interest of continuing this very important dialogue, we would live up to all the commitments we had made, including the special action program of $1 billion which had been put on the table by the eight countries as a way of ameliorating the condition of the developing countries. To my knowledge there is no intention on the part of the government of Canada or any other government to withdraw from positions which they have taken at the conference itself.

* * *

● (1500)

ADMINISTRATION OF JUSTICE

CO-OPERATION OF PROVINCES IN CONTROLLING PORNOGRAPHY

Mr. Gordon Towers (Red Deer): A supplementary question for the Minister of Justice. Can the minister inform the House whether he is receiving full co-operation from all provincial Attorneys General in his efforts to control pornography and is it his intention to continue discussions with provincial representatives?

Hon. Ron Basford (Minister of Justice): Generally yes, recognizing of course that the primary responsibility for prosecution under the Criminal Code lies with the provincial Attorneys General. A number of them have shown great interest in taking such prosecutions but none have made suggestions to me about amendments to the Criminal Code which might be appropriate in the circumstances.

Mr. Towers: A supplementary question. Could the minister tell the House whether the government intends to exercise its full powers in this field?

Mr. Basford: We have federal authority in this regard under the provisions of the Customs Act which are administered by the department of Customs and Excise and which I think have been fully exercised.

* * *

PORNOGRAPHY

SUGGESTED ESTABLISHMENT OF TASK FORCE TO STUDY MEASURES TO CONTROL

Mr. Dean Whiteway (Selkirk): Mr. Speaker, may I direct a supplementary question to the Acting Prime Minister. Can he tell the House whether the government intends to act on the specific recommendations that have been given to the Minister of National Revenue, namely, to restrict the ports of entry and to make changes to the Criminal Code? Could he also inform the House if the government would be disposed to set up a parliamentary task force to look into all aspects of pornography with particular reference to pornography directed at children and the increase in this aspect?

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, that idea which I heard when the motion under Standing Order 43 was moved earlier, does not at first sight seem to answer the problem of pornography in Canada. When members of this House on both sides have not been able to make up their minds to question the legal provisions and when the opposition House leader can state publicly that "pornography is both harmless and harmful," I do not understand where we are to go.

I think the question of abuse of children in the preparation of pornographic material is a serious problem. Most of such material is printed outside Canada, however, and we are back to the question of the use of customs mechanisms to control pornography.

I should like to draw the attention of my colleagues to the real problem of hate literature and magazines promoting violence which are also distributed to our population. I would like to be equipped with the proper legal tools to fulfil my responsibilities. If I can express a personal opinion I think it is time for this House to reassess a legal provision which goes back to the last century.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: In accordance with Standing Order 40 and our modified practices for the month of June, may I inform the House of the questions to be raised at six o'clock p.m. upon the motion for adjournment which are as follows: The hon. member for Egmont (Mr. MacDonald)—Supply and Services; the hon. member for St. John's West (Mr. Crosbie)—Administration of Justice; the hon. member for Edmonton-Strathcona (Mr. Roche)—Commonwealth Games.

I cannot rule on the point of special procedures during this month of June without touching on the aspect of the order which relates to the hours of sitting on Mondays, Tuesdays and Thursdays. The order reads as follows:

> That, commencing May 31, 1977 and continuing to June 30, 1977, notwithstanding any Standing Order:
>
> (1) Any Standing Order that establishes a forty minute limit on speeches shall be deemed to establish a thirty minute limit;

The areas of concern at the moment, however, are subparagraphs (2) and (3) which read as follows:

> (2) Except on days allotted pursuant to Standing Order 58, on Mondays, Tuesdays and Thursdays, the House shall continue to sit until 10.30 p.m.;
>
> (3) On Mondays, Tuesdays and Thursdays, the House shall sit from 11 a.m. to 1.00 p.m. to consider Government Orders other than the business of supply, provided that proceedings pursuant to Standing Order 15(2) and (3) shall be taken up at the usual time;

The difference in the language between subparagraph (2) and subparagraph (3), upon careful consideration of the order, gives the impression that subparagraph (2) specifically excepts allotted days pursuant to Standing Order 58—that relates to the provision of sitting an extra half hour between 10 p.m. and 10.30 p.m.

Subparagraph (3) does not use that language and would invite the conclusion that even though tomorrow is an allotted day pursuant to Standing Order 58, the order on the face of it would provide for sitting between 11 a.m. and 1 p.m. to consider government business. I am open to discussion on whether that was the intention of the order and the discussions which led to the order, and I think for the benefit of hon. members the sooner we clear this up the better.

Mr. MacEachen: Mr. Speaker, this matter has been questioned by the various parties. I expect that we will have a meeting in early afternoon and I can possibly come back to the House with a solution.

Mr. Speaker: Perhaps the matter could stand for an announcement at five o'clock or six o'clock this afternoon.

PRIVILEGE

MR. BALDWIN—ALLEGED ATTEMPT BY GOVERNMENT TO INTERFERE WITH NEWS MEDIA

Mr. G. W. Baldwin (Peace River): Mr. Speaker, as required by the rules I have given Your Honour notice of a question of privilege and if you find there is a prima facie case I shall move a motion at the conclusion of my remarks. I do not think it will have escaped Your Honour's attention that in a motion under Standing Order 43 I raised a matter which in my submission is a very important area of privilege affecting every member of the House.

Your Honour is aware, as are members on both sides of the House, that we have been very careful not to restrictively define "question of privilege", leaving it to be modelled and to conform to situations as they may arise. It is my submission that the inalienable right of members of the House to discharge their responsibilities would be seriously interfered with if the free flow of information about what goes on in this House and in government were restricted by what I consider could be characterized as improper actions on the part of members of the government. It is on that basis that I think it is for the Chair to be bold and to find reasons to bring the rights of members of the House into conformity with modern day technology. It would be an assault on reality not to realize that in this day and age not to communicate what goes on in government to the public is a rejection of an essential privilege of the public, manifested through members of this House.

I have indicated several areas of complaint to the House and I will not go over them in detail again. There is the question of the abrasive actions taken by the Prime Minister (Mr. Trudeau) and his supporters in connection with the CBC. This has been a matter of discussion in the House and the subject of questions and motions. I will deal briefly with the allegation of the suppression of the June 4 weekend supplement in the two daily newspapers in Regina and Saskatoon. The *Canadian* carried an article entitled "The Unhappy Landing of Otto Lang". The Acting Prime Minister (Mr. MacEachen) indicated that he would make some inquiry into this and report back to the House. For that reason I will not pursue it any further at this time but I suggest the very fact that the Acting Prime Minister is prepared to do this is a prima facie indication that there is substance to the allegation.

● (1510)

I should like to quote from the article appearing in today's *Globe and Mail*, headed, "Liberal MP says party in panic since PQ win." Some statements in the article are in quotation marks, obviously indicating statements taken verbatim by the reporter reporting what the hon. member for Maisonneuve-Rosemont said. This is how the *Globe and Mail* puts it:

> He told a group of journalists attending a seminar that the federal Government is deliberately and systematically trying to strip the courts of their power to interpret the laws of the country.
>
> It is also trying to 'domesticate' and 'harness' the press in Canada because it fears the press and hasn't been able to control it.

> Mr. Joyal said the government is changing the rules of the democratic game without the knowledge of most people. 'The very foundations of our society are involved," he said.

The article goes on to say:

> Mr. Joyal said it is not simply coincidence that the federal government has introduced three pieces of legislation in which the court is no longer the final recourse to the interpretation of the law.

He went on to mention Bill C-42, the telecommunications legislation, the new immigration bill and the recently introduced bill relating to the question of privacy.

According to the article, the hon. member's position is as follows:

> The government is also very much afraid of the press because 'the only opposition in Ottawa right now is the press' he said. He said it is the press that takes the case to the government, that digs up the contradictions and inaccuracies of cabinet ministers.
>
> 'There is a phobia in Ottawa, a fixed idea to domesticate this power of the press, to harness it', he said . . .
>
> 'There's often been criticism of the press before but never as much since Nov. 15. There is a feeling of panic about the press. We had to feel assured we wouldn't get a trick bounce out of the press' he said.

The article reports further comment along the same lines. I submit that almost any one of these incidents standing alone could be cause for concern; taken together, they constitute far more than a prima facie case that this government is moving to restrict the inalienable right of this House to see that the public is informed of the processes of government. The public must be informed both of what goes on in the House, and what goes on in government circles. The hon. member for Maisonneuve-Rosemont suggests that what the government is doing is related to legislation before this House and before parliament, and indicates the government's motives. That in itself suggests that the government has made certain that more is included in its legislation than meets the eye of this House; that these legislative proposals are intended to restrict the rights of the courts to hear and interpret legislation this House passes.

I suggest in addition that this House has a vested interest in connection with the people involved in reporting what goes on in the House and the actions of government and parliament. I am referring to the press gallery, and the reporters, a group with which this House has had a longstanding and traditionally sensitive relationship. I suggest that any act, any proposal or any suggestion, as conveyed by the hon. member for Maisonneuve-Rosemont, that the government is involved in attempting to control the free flow of information strikes at the heart of the rights of members of this House.

Finally, it is suggested that the government is involved in diminishing the powers of the courts, to which parliament entrust the interpretation and judicial implementation of legislation enacted by Her Majesty, by and with the advice and consent of the Senate and House of Commons. That is a further blow at the powers of this House, and at the rights and privileges of individual members.

I will not continue at length. It is a simple case. I think the Chair must look carefully at the allegations, to see if there is not a course of conduct involved in these actions by which the privileges of all members of the House and the inalienable

rights of all members to function on behalf of the public of Canada are being curtailed. If the government has nothing to fear, let it accept the motion I am about to move. If Your Honour finds there is a prima facie case of privilege I would move:

That the Standing Committee on Privileges and Elections inquire into the statementes alleged to have been made by the hon. member for Maisonneuve-Rosemont, which appear in today's edition of the *Globe and Mail*, and into related or other incidents, which indicate that the rights of parliament on behalf of the people to have full and unabridged reporting of the actions of government are being threatened.

Mr. Speaker: Order, please. As a minimum I would accept the earlier indication of the hon. member for Peace River (Mr. Baldwin) that an aspect of the presentation he has made on the alleged question of privileges relates to allegations concerning the Minister of Transport (Mr. Lang) in respect of certain journals in one or two provinces. That being the case, it is only appropriate, I think, that the matter should stand over until the Minister of Transport is in the House, so that we may see if he wants to make a contribution on this subject. That would be in line with the earlier, brief comments of the President of the Privy Council (Mr. MacEachen). However, there may at this time be other hon. members who may wish to contribute on this question of privilege.

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on the same question of privilege raised by the hon. member for Peace River (Mr. Baldwin) and in particular refer to these words of his motion, "... inquire ... into related or other incidents, ..." I wish to speak particularly on one of these "related or other incidents".

It seems to me that the basic duty of this House is to protect the freedoms of the Canadian people, not the least of which, indeed one of the most important of which, is the freedom of the press. This House must protect the right of fair comment on any matters whatsoever, including the conduct of those elected as members of this House.

Last weekend the "Canadian Magazine" failed to appear in Saskatchewan. It was alleged that this failure to appear was attributable possibly to interference or pressure exerted by the Minister of Transport (Mr. Lang) or those acting on his behalf. If this is so, that action contravenes parliament's right to protect freedom of the press—

Mr. Speaker: Order please. Is the President of the Privy Council rising on a point of order?

Mr. MacEachen: Yes, Mr. Speaker. I rise on a point of order. Surely there is some sense of justice left in the House of Commons. A question of privilege has been raised concerning the Minister of Transport (Mr. Lang), and another question of privilege is based on statements alleged to have been made by the hon. member for Maisonneuve-Rosemont (Mr. Joyal). Neither person is in the House, and debate is proceeding on the question of privilege. Where is the sense of fair play and justice of this House?

Some hon. Members: Hear, hear!

Mr. Speaker: Order please. That is why, after the hon. member for Peace River had explained his position in raising the question of privilege, I suggested the matter might stand over. However, I was not able to determine if the contribution which other members wished to make ought to be made in the presence of those other hon. members. I really think that it is in keeping with our practices if the presentations on this kind of motion could take place in the presence of those who are accused. I see the hon. member for Grenville-Carleton (Mr. Baker) rising.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. I listened carefully to what Your Honour said, and I thought in fact that you had invited comment without limitation. If we are to ensure compliance on the point the President of the Privy Council (Mr. MacEachen) raised, I suggest it is incumbent on him to ask the two members, whose names have been mentioned in connection with the matter, to attend in this House so that the hon. member for Leeds (Mr. Cossitt) and others who may wish to contribute on this matter may do so, without being fettered, except to the extent that Your Honour may fetter them. If that is agreeable to you and to members of the House, any member who wishes to participate in the debate on the matters raised by the hon. member for Peace River (Mr. Baldwin) particularly in his motion, ought to be able to do so then. I think there is a duty on the President of the Privy Council to rise in his place to ensure that the Minister and the hon. member for Maisonneuve-Rosemont will be here so that the matter can be settled rather than straggle on for a number of days. This is a very important issue.

• (1520)

Mr. Cossitt: Mr. Speaker, it is not my fault or that of the hon. member for Peace River (Mr. Baldwin) that the other two members are absent from this House. As the hon. member for Grenville-Carleton (Mr. Baker) has pointed out, it behooves the government House leader to guarantee us not just that they will be here some day, but when. Those of us on this side, just as those on the other side, have other plans, obligations and things they must do. I do not feel it is fair that if a member wants to raise a question of privilege he should be curtailed from doing so by the mere absence of someone opposite who probably is not here because he knew this would be raised.

Some hon. Members: Shame!

Mr. Speaker: Order, please. Whether it be done voluntarily, as has frequently been the case in the past, or whether those who wish to participate are not prepared to do it voluntarily, I should insist that at least on an initial basis, particularly in the case of a minister—I know it will be argued that hon. members are on an equal basis, but it is difficult to expect that a minister's schedule can be changed on a moment's notice to permit him to be here because he has been the subject of some question over a particular news article—that the courtesy be extended of indicating in a preliminary way that a question of

privilege will be raised, particularly one that concerns two members, and that their ability to be present at the earliest possible moment be explored. The matter should proceed at the earliest possible moment in the presence of those two members. Therefore, the matter perhaps ought to stand over for at least one day. I will call the question tomorrow at three o'clock.

MR. McKINNON—ALLEGATION MINISTER MISLED HOUSE CONCERNING ADMIRAL BOYLE'S RESIGNATION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question of privilege goes back a few days. I indicated to Your Honour on May 16 that I intended to raise a question of privilege on the first occasion on which the Minister of National Defence (Mr. Danson) and I were simultaneously in the House. That occasion is now with us.

As I mentioned briefly on May 16, my reason for raising this question of privilege, my first in over four years as a member, is the difference between the answers given to me in this House by the minister and the statements made by Vice-Admiral Boyle. With your permission, I will quote from excerpts from *Hansard* and some of the statements of Vice-Admiral Boyle.

On May 13, I asked the Minister if he would enlighten the House as to the reasons for the early retirement of Vice-Admiral Boyle. The Minister replied:

It reflects the normal rotation of commanders which has taken place throughout the armed forces with the appointment of the new CDS.

I asked a supplementary question:

Does the minister deny that Admiral Boyle was asked to resign—

The Minister replied:

Mr. Speaker, I can absolutely deny the allegation of the hon. member.

I asked the minister a second supplementary, and I quote the second half:

Is it not true that after he declined to resign he was offered a position which would have removed him from any participation in naval affairs for the rest of his service?

The minister replied:

Mr. Speaker, the hon. gentleman is still suggesting that the admiral was asked to resign.

That tells us what the minister had to say about the resignation at that time. The *Globe and Mail* came out with a CP release from Halifax dated May 19, and I quote:

Admiral Boyle was asked to resign his post here but when he refused he was offered a position in Ottawa which he originally declined.

The Montreal *Gazette* came out with a story on May 14 headlined "Admiral was asked to resign". I quote from the story:

Vice-Admiral Douglas Boyle was asked to resign as a commander of the navy by military brass, he said yesterday.

The *Globe and Mail* of May 14 stated, and I quote:

I was asked to quit Admiral Boyle reveals . . . Vice-Admiral Boyle confirmed yesterday he had been asked to resign . . . Mr. Danson invited Admiral Boyle to Ottawa to hear his side of the story and was embarrassed to admit yesterday that he did not know about the Falls-Boyle confrontation.

There are many more statements that could be quoted to show the contradiction. I find difficulty in believing that all of these members of the press gallery were individually and collectively misled into believing something that was not true. I will summarize briefly.

The minister claimed that Vice-Admiral Boyle had not been asked to resign and that his resignation was a normal routine retirement. Anyone accepting Vice-Admiral Boyle's statements would have to conclude that the minister has indeed misled the House.

I have never said, or indeed thought that the minister did so deliberately. It is my opinion that he did so through being uninformed or ignorant of what was going on in the Department of National Defence in the weeks prior to the resignation. Why else would the minister be embarrassed by what he found out from his discussion with Vice-Admiral Boyle on the afternoon of the 13th of May, shortly after he had stated unequivocally that Boyle was not asked to resign. He would not be embarrassed by any misunderstanding between two senior officers. No, Mr. Speaker, he could only be embarrassed in this instance by finding out that he had unwittingly misled the House.

The Minister did not in any way qualify his remarks in the House on May 13. Had he prefaced his remarks by the usual cautionary remarks such as "to the best of his knowledge" or that "he couldn't be expected to know everything that took place in private conversations between senior officers", it would have been understandable and forgiveable, but no, he stated quite flatly, definitely and unequivocally that Vice-Admiral Boyle had not been asked to resign and that this was a routine retirement.

If this were only a matter of disagreement or debate between the minister and myself, believe me, I would not consider it important enough for my first question of privilege in this House, but the reputation of a third person is at stake here. If the minister's statements were to remain unchanged and unchallenged, it would mean that the statements of Vice-Admiral Boyle are considered by this House to be fabrications.

Two things should be considered here. First, Vice-Admiral Boyle and not the minister was present at the meeting Boyle had with the senior officer or officers at NDHQ when his resignation was allegedly requested. Second, the reputation, and a very good reputation it is, of the senior naval officer in the Canadian forces has been or will likely be tarnished if the hearsay evidence, unfortunately placed by the minister in *Hansard* is allowed to stand, and it should not be overlooked that Vice-Admiral Boyle has no opportunity to defend himself in the same forum in which he has been accused. You are no doubt aware, Mr. Speaker, that an opportunity for him to present his side of the case to the Standing Committee on National Defence was vetoed by the government majority on the steering committee.

I sincerely hope that the minister will now rise and admit that he was either ill-informed, misinformed or uninformed

when he made his misleading remarks on May 13 concerning Vice-Admiral Boyle's resignation, and I hope he will withdraw them. If he is the gentleman and parliamentarian I have always considered him to be, he will do so. In the unlikely event that the minister is not willing to do so, I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie),

That the matter of the Minister of National Defence misleading the House concerning Vice-Admiral Boyle's resignation be referred to the Standing Committee on Privileges and Elections.

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, as a result of the allegations made by the hon. member, I have reviewed the correspondence exchanged between Admiral Boyle and myself and with other officers of the department. I have inquired about discussions as well. It would be normal in reading the correspondence that Admiral Boyle would construe that one of the alternatives available to him was that of resignation. In my view, the manner in which the question of resignation has been raised is a legitimate misunderstanding. I am aware that the option of his resignation was privately discussed with him as would be normal between senior officers under similar circumstances.

I very much regret that Admiral Boyle, who has served Canada well for the past 38 years, apparently interpreted the discussions and the exchange of correspondence as a request for resignation, when in fact it was only another alternative open to him, as it would be to any other senior serving officer.

● (1530)

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, may I take part in this matter?

Mr. Speaker: Order, please. The hon. member for Halifax-East Hants.

Mr. McCleave: Mr. Speaker, I have spoken to Admiral Boyle on this. He did not want to release the correspondence himself but he did say that he hoped, for the sake of his own reputation, the minister would be good enough to release the correspondence the minister has mentioned. Therefore, I make that request on behalf of Admiral Boyle.

Mr. Danson: Certainly, I have no objection, Mr. Speaker, as I have indicated earlier. However, since it is personal and confidential correspondence I would really want to have the assurance of Admiral Boyle himself. Then, I would have no hesitation in tabling the correspondence that ensued.

Mr. McKinnon: Mr. Speaker—

Mr. Speaker: Order. It is extraordinary to allow a member to participate twice in discussion on the same subject. Unless there is a specific way in which the hon. member for Victoria might be of assistance at this time, I would have to have some indication of the nature of the contribution he wishes to make.

Mr. McKinnon: Mr. Speaker, I simply wish to say that, in view of the sterility of the reply of the minister, I wish my motion to stand.

[Mr. McKinnon.]

Mr. Speaker: Order, please. In the circumstances the Chair would certainly like some time to review the matter and consider the precedents. In particular, I would like to review the previous contribution of the hon. member for Victoria and to examine the contents of the minister's answer carefully to see whether or not there is a difference of opinion or a difference of interpretation, either in the answers given by the minister in the House or leading up to those answers, of the events now described by the minister occurring between Admiral Boyle and the minister. In any case, I should like to reserve on the matter to study these answers very carefully and see to what conclusion they lead me. Therefore, I will reserve my opinion on the question of privilege.

Mr. Baker (Grenville-Carleton): Mr. Speaker, on a point of order, I just want to give notice that I may have a question of privilege to raise tomorrow as a result of an answer given by the Minister of National Revenue (Miss Bégin) to another member which unfortunately I did not hear but which has been related to me. I should like to take a look at the matter but I thought I should serve notice on you now, sir.

Mr. Crosbie: Mr. Speaker, in connection with the point of order raised on the question of privilege raised by the hon. member for Peace River (Mr. Baldwin), I should have said earlier that I have a statement I wish to make tomorrow when the subject comes up, and that I do not want anyone on the other side saying that they had no notice. It has nothing to do with the Minister of Transport (Mr. Lang) and it has not anything directly to do with the hon. member for Maisonneuve-Rosemont (Mr. Joyal); it is another illustration of what we feel to be a dangerous situation in connection with interference with the media and the free flow of information from parliament to the people. It relates to the situation in radio and television communications in Newfoundland, to the Secretary of State for External Affairs (Mr. Jamieson) and his position. I will be making a submission on the matter tomorrow, Mr. Speaker, but I wanted to give notice so that I do not hear any member crying out "unfair" or whatever. It is a serious point that I have to raise.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Speaker, can the Parliamentary Secretary to the President of the Privy Council inform the House what he intends to deal with today in terms of government business and for the balance of the week which is allotted to the government?

Mr. Goodale: Mr. Speaker, I can give an initial indication at this stage of the order of business. The next two days, of course, are allotted days. For the balance of the day, we will be proceeding with the legislation relating to small harbours, which we are in the process of dealing with at the moment. We will then move on to Bill C-23, the metric legislation and,

depending on our progress, our intention at this stage is to move then to Bill C-36, relating to motor vehicle safety.

Mr. Knowles (Winnipeg North Centre): On the same point of order, Mr. Speaker, may I ask what happened to the representations that I made to the parliamentary secretary on Friday? Since we are scraping the barrel, it might be a good idea to deal with Bill C-30.

Mr. Goodale: Mr. Speaker, I undertook to my hon. friend to raise this item with the President of the Privy Council upon his return to the House. Unfortunately I have not personally had an opportunity to do that yet but I will take it up at the first opportunity.

Mr. Knowles (Winnipeg North Centre): So shall I.

ROUTINE PROCEEDINGS

[*Translation*]

CANADA PENSION PLAN

TABLING OF REPORT ON ALLOWANCE FOR RAISING CHILDREN

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, pursuant to the provisions of Standing Order 41(2), I would like to table in the House a report submitted by the advisory committee on the Canada Pension Plan concerning the absolute exclusion from the Canada Pension Plan for raising children.

* * *

[*English*]

VETERANS AFFAIRS

THIRTY-THIRD ANNIVERSARY OF D-DAY LANDING IN NORMANDY

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I am pleased to have this opportunity to inform hon. members that today is the 33rd anniversary of the D-Day landing in Normandy. Thirty-three years ago today men of Canada joined with their British and United States allies to breach the wall of darkness and oppression which for four long years had lain like a millstone on France and the low countries. It was D-Day for freedom, the start of the northwest European campaign which culminated, 11 months later, in the complete surrender of the enemies of freedom.

The cost in lives was high. On D-Day alone, Canada suffered almost a thousand casualties, of whom 340 were killed or died of wounds. The men who fell on the beaches and in the bitter bridgehead battles are buried in Beny-sur-Mer Canadian War Cemetery and today officials, both miliary and civilian, from our Canadian Embassy in Paris have laid wreaths at that site in memory of those courageous soldiers. Those wreaths were placed there today in the name of all Canadians,

a significant reminder to the free world that Canada, and every province in Canada, played a major role in obtaining the way of life we enjoy today.

June 6, 1944 is an important day in the history of our country as a nation—the D-Day landing in Normany—and if we still believe in Canada as we did when that belief called for sacrifice, we will again commit ourselves to the task at hand, to preserve the integrity of Canada as a nation from sea to sea.

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, with all members of this House who are veterans of the Second World War, I want to join with the Minister of Veterans Affairs to mention the anniversary which is celebrated in memory of millions of Canadians and which will remain for all of us, I would say, one of the most shining memories of our lives.

[*English*]

If I make a personal reflection at this point, Mr. Speaker, I recall being a prisoner of war in Germany following the Dieppe raid, and I am sure that those of us who had access to clandestine radio at that time had no greater surge of hope than the June 6 landing. I can assure you, Mr. Speaker, that by that time the western nations had had four years of very bitter experience and despair in World War II, but then we had this glorious day, June 6.

I had been an ocular witness on many of the beaches where colleagues of other regiments landed, some to give up their lives, others to be wounded, but all as Canadians fighting for the protection of Canada against disintegration from outside. That generation knew what was going to happen to Canada if the enemy prevailed. To repeat what the minister has said, millions of Canadians were enrolled in Canada's armed forces during World War II. Thousands upon thousands died and many more thousands were wounded. This country went through a great sacrifice in order to take one more step in the welding of a nation. We have no intention of seeing that welded nation dismembered at any time by anyone.

● (1540)

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we of the New Democratic Party believe it is highly appropriate that the Minister of Veterans Affairs (Mr. MacDonald) has made the statement which he just delivered to the House on this thirty-third anniversary of the D-Day landing at Normandy. The hon. member for Edmonton West (Mr. Lambert) has given us his recollections of the day from a vantage point which we appreciate and respect. I recall that it was a very solemn day here in this House of Commons. We had a statement from the then prime minister, the Right Hon. Mackenzie King, of what was developing. I also recall for a portion of that day we gathered as members across in Room 16 to listen to a radio broadcast from London which included a message from His Majesty King George VI. We were aware of the great significance of that day.

I find that on that day it fell to me, as it has on a number of occasions, to speak on behalf of our party. I used words on June 6, 1944, that I can use again and perhaps keep it very brief. This was my concluding sentence:

We associate ourselves not only with what has been said but with the spirit which rightly pervades the House at this historic moment.

Sir, 33 years later we associate ourselves with what has been said by the Minister of Veterans Affairs and by the hon. member for Edmonton West (Mr. Lambert), and we join with members in a determination to preserve the integrity of Canada as a nation from sea to sea.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, on behalf of my party, I want to join with the Minister of Veterans Affairs (Mr. MacDonald) in commemorating the 33rd anniversary of that famous battle. I never served in the army, but some of my relatives came back from that battle, having lost some of their limbs. They related to us the famous battle of Normandy. I believe it is a duty for all Canadians to remember each year those soldiers who, I hope and I am convinced, fought for a good cause when they responded to the S.O.S. of the people of Europe.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,712, 1,749, 1,862, 1,909, 2,423, 2,427, 2,447, 2,530 and 2,536.

[*Text*]

SUMMER EMPLOYMENT PROGRAMMES

Question No. 1,712—**Mr. Howie:**

For the year 1976, did the Department of the Solicitor General have any student summer employment programmes in (a) Canada (b) New Brunswick and, if so, in each case (i) what were they (ii) how many persons were given direct summer employment and what were the wages (iii) what was the cost?

Hon. Francis Fox (Solicitor General): Yes. (a)(i) The ministry was responsible for a Summer Student Employment and Activities Programme across Canada in 1976, made possible through Manpower and Immigration's Summer Student Employment and Activities Programme (SSEAP). Activities in this programme included regular patrol duties with the R.C.M.P. and a variety of surveys, research projects, and community liaison projects. (ii) 208 Students were given direct summer employment. The breakdown by Agency was: R.C.M.P., 55; C.P.S., 56; N.P.S., 66; N.P.B., 5; Secretariat, 26. All of the students (except those in the R.C.M.P.) were paid on the basis of years of education successfully completed. The pay scale ranged from $3.10 per hour for qualifying university year, Technological College, C.E.G.E.P. to $6.60 per hour for students who had successfully completed eight years university. The R.C.M.P. students were paid a flat rate of $4.99 per hour in accordance with the R.C.M.P. acts and regulations. The average total salary (including 4 per cent vacation pay) for the students employed in the Ministry during the summer period was $2,974.04. (iii) The total cost of the programme, including salary, travel costs, and administrative costs was $700,000. (b) (i-iii) As part of the ministry's summer programme outlined above, 18 students were employed in the province of New Brunswick. This number is included in the total of 208 above. The projects in New Brunswick did not form a programme of their own; they were part of the overall Canada program. Costs are included in the costs of (a) above. Of the 18 students in New Brunswick, seven were employed with the R.C.M.P., two with C.P.S., two with N.P.S., and seven with the Ministry Secretariat.

[Mr. Knowles (Winnipeg North Centre).]

MR. J. C. DOYLE—ACTION FOR ARREARS OF TAXES

Question No. 1,749—**Mr. Crosbie:**

1. Has the government received any monies from Mr. John C. Doyle of Canadian Javelin Limited in connection with an action taken against him by the government for arrears of taxes and in connection with a judgement of Mr. Justice Hugh Gibson in the Exchequer Court of Canada and, if not, what is the amount now owing under the judgement for arrears of taxes, penalties and interest?

2. On what date was the judgement of Mr. Justice Gibson delivered?

3. Did Mr. Doyle appeal the judgement of Mr. Justice Gibson and, if so, on what date?

4. Has the appeal been heard by the appeal court and, if not (a) for what reason (b) what is its present status (c) will it be set down for a hearing and, if so, before what appeal court?

5. Has the government a lien registered against all shareholdings of Mr. Doyle in Canadian Javelin Limited and an attachment registered against Canadian Javelin Limited for any monies that might be due and owing by Canadian Javelin Limited to Mr. Doyle?

6. Is the government aware that Canadian Javelin Limited is making payments to a subsidiary in the Bahamas, Javelin Export Limited, so that the said subsidiary can pay consultants salary and expenses to Mr. Doyle and, if so, what action is the government taking to stop payment of such monies?

Hon. Ron Basford (Minister of Justice): 1. There were two judgments delivered by Mr. Justice Gibson involving income tax assessments concerning Mr. John C. Doyle. These judgments were not rendered following an action taken by the government for arrears of taxes but as a result of appeals by the taxpayer from income tax assessments. The government of Canada has not received any monies from Mr. John C. Doyle as a result of these judgments relating to these appeals from assessments. However, prior to these judgments of Mr. Justice Gibson, action was taken which secured the Crown's claim against Mr. Doyle. It should be noted as a result of a decline in the market value of the security held, the Crown's claim is now only partly secured. The amount of income tax and interest owing as of December 31, 1976 in relation to the judgments of Mr. Justice Gibson was approximately $3,483,412.

2. Both judgments of Mr. Justice Gibson were delivered on June 29, 1970.

3. Mr. Doyle appealed both judgments of Mr. Justice Gibson on October 15, 1970.

4. The appeals from these two judgments have not yet been heard by the Supreme Court of Canada. One of these appeals was set down for the winter session of the Supreme Court of Canada but an application was made by the appellant and agreed to by the Department of National Revenue and the Department of Justice to the removal of this case from the winter session, provided that it be reinscribed again for the spring term of the Supreme Court of Canada. This was the only occasion where consent to an adjournment was given by the government of Canada. The other appeal will be heard as soon as possible, but not before the Fall session. It was delayed by consideration of a procedural question as to whether this appeal can be dealt with before another case respecting the same taxation year is heard and decided by the Federal Court. The latter case is one of seven appeals involving John C. Doyle and Javelin Foundries and Machine Works Limited which are presently before the Federal Court. Extensive discussions have been had since the institution of these appeals with regard to their disposition and the payment of the tax claimed to be owing by both taxpayers. All of these cases are to be brought forward to be disposed of by the Court as quickly as possible.

5. 1,009,526 shares of Canadian Javelin Limited have been attached by way of a seizure on the books of the transfer agents. In addition, a Writ of Extent was issued out of the Exchequer Court on July 8, 1963 for the sum of $3,410,-130.90. Other action has been taken, but this must remain confidential under the provisions of section 241 of the Income Tax Act.

6. The government is aware that certain payments have been made by Canadian Javelin Limited to a subsidiary in the Bahamas, Javelin Export Limited. Because of the provisions of the Income Tax Act, a more specific reply cannot be given to this question. This matter is being actively considered by officials of both the Department of National Revenue and the Department of Justice.

MEDICAL FACILITIES IN MAXIMUM, MEDIUM AND MINIMUM SECURITY PRISONS

Question No. 1,862—**Mr. Yewchuk:**

1. What medical facilities are present in each maximum, medium and minimum security prison?

2. Do prisons and penitentiaries give physical examinations when admitting prisoners and, if so, how many prisons and penitentiaries?

Hon. Francis Fox (Solicitor General): 1. In maximum and medium institutions, Health Care Centres are staffed on a 24 hour basis by Health Care Officers. Physicians are available on a full-time or contractual basis and visit two to five times per week, depending on need, and are on call at all other times for emergencies. In minimum institutions arrangements vary depending on size and location. For example: Forestry camps are equipped with first aid room and equipment. During regular hours the attending physician usually visits once a week or the inmates go to outside clinics, hospitals or physician's office for treatment. In emergency situations and during silent hours, inmates go to outside clinics, local hospitals or physician's office for treatment. Farm Annexes: During regular hours the Health Care Officers from the parent institution visit and look after minor needs or refer the inmate to the parent institution for care by the staff or contract physician. In emergency situations and during the silent hours, the parent institution provides the services.

2. Yes. Regulations provide for every male and female inmate to be given a preliminary medical and dental examination within 24 hours of his initial reception in a penitentiary and a complete medical examination within seven days. Physical examinations are given to male inmates on entering the penitentiary system at the Regional Reception Centres in: Pacific Region (British Columbia Penitentiary); Ontario Region (Kingston Penitentiary); Quebec Region (Archambault Institution). In the Prairie and Atlantic Regions, the physical examinations are performed at the receiving institution as designated by the National Parole Service. Physical examinations are given to female inmates at the Prison for Women, Kingston, Ontario.

FISHERMEN—BAY OF FUNDY

Question No. 1,909—**Miss Campbell:**

1. For the year 1976, what amount was spent by the government to assist the seiners of the Bay of Fundy?

2. What assistance was provided by the government to the Bay of Fundy Herring Co-operative to buy and sell fish to the Polish fishing fleet?

3. Did the government make any payments to any Canadians for the buying and selling of fish to the Polish fishing fleet?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): 1. No direct assistance was paid to the Bay of Fundy seiner fishermen for herring caught in 1976.

2. Two fishermen and one consultant under contract assisted the Co-operative not only to sell fish to the Polish fishing fleet but assisted the Co-operative in its entire operation. They also helped the department in the development and implementation of the new management regime. The total cost was $80,000.

3. No.

STUDENT SUMMER EMPLOYMENT PROGRAMMES

Question No. 2,423—**Mr. Marshall:**

1. What additional staff was hired and what was the cost to operate the Student Summer Employment Programme (a) Non-medical use of drugs (b) Health Activities (c) Community Agencies under the Department of National Health and Welfare?

2. Are any other programmes available for students under the Department?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1 and 2. Please refer to the reply to Question No. 1,713 answered on May 10, 1977, *Hansard* 120, page 5462.

Order Paper Questions

COST OF STUDENT SUMMER EMPLOYMENT PROGRAMME

Question No. 2,427—**Mr. Marshall:**

1. What additional staff was hired and what was the cost to operate the Student Summer Employment Programme—Public Service Employment under the Public Service Commission?

2. Are any other programmes available for students under the Department?

Hon. John Roberts (Secretary of State): I am informed by the Public Service Commission as follows: 1. The Public Service Commission administers the Post-Secondary Student Recruitment Programme (previously known as COSEP*). For the 1977 recruitment programme, 1.7 additional man-years were staffed by the Public Service Commission. The total cost for conducting this summer employment programme is six man-years (including the above mentioned 1.7 man-years) and 7,000 non-salary dollars (including publicity, printing of application forms and necessary staffing documents).

2. None.

---

* COSEP (Career Oriented Summer Employment Programme).

STUDENTS HIRED TO ACT AS CUSTOMS OFFICIALS AT BORDER CROSSING POINTS

Question No. 2,447—**Mr. Alexander:**

1. By province and territory, how many students were hired, or will be hired, to act as customs officials at border crossing points this summer?

2. How many are related to fulltime customs employees, either as a son or daughter, niece or nephew, cousin or in-law?

Hon. Monique Bégin (Minister of National Revenue): 1.

Province	Number of Students
Nova Scotia	12
New Brunswick	27
Newfoundland	2
Quebec	87
Ontario	256
Manitoba	26
Saskatchewan	9
Alberta	27
British Columbia	106
Yukon Territory	4

2. Statistics not available. Students are not asked to provide this information, nor is it contained in their Public Service Application for Employment form.

NATIONAL DEFENCE—USE OF COAL AT CFB GAGETOWN

Question No. 2,530—**Mr. Fairweather:**

1. Will coal from the Minto-Chipman area be used at CFB Gagetown and (a) if so, how far are the coal fields from Gagetown (b) if not, how far from Gagetown is the next available source?

2. Are the boilers at CFB Gagetown specially designed to use Minto-Chipman coal?

[Mr. Lalonde.]

Hon. Barney Danson (Minister of National Defence): 1. No. (a) Not applicable. (b) Sydney Cape Breton Area—approx 450 miles.

2. No.

FRESHWATER FISH MARKETING CORPORATION—TRANSCONA—PROPERTY TAXES

Question No. 2,536—**Mr. Whiteway:**

1. How much did the Freshwater Fish Marketing Corporation at Transcona, pay in property taxes, or as a grant-in-lieu-of-taxes in (a) 1975 (b) 1976?

2. For the same years, what was the cost for utilities for the Transcona plant?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): 1. The Freshwater Fish Marketing Corporation paid the following property taxes as grants in lieu of taxes:

	May 1, 1974 to April 30, 1975	May 1, 1975 to April 30, 1976
Property taxes	$105,927.00	$123,974.00
Business Tax	41,160.00	41,160.00

2. In the same period the utility costs were as follows:

	May 1, 1974 to April 30, 1975	May 1, 1975 to April 30, 1976
Sewer and Water	$37,370.00	$ 52,809.65
Hydro	81,764.00	100,326.90
Natural Gas	16,954.00	26,501.20

[*English*]

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

Mr. Cossitt: Mr. Speaker, I rise on a point of order with regard to questions Nos. 29, 30, 41, 44 and a few others too numerous to mention on the same subject. I hesitate to rise on this because I have done so before on approximately half a dozen occasions without any success in finding out why these answers are not forthcoming. The questions have been on the order paper since the first day of this session, and they were on the order paper in the last two or three months of the last session. All of them concern flights by cabinet ministers on government-owned aircraft, the cost thereof, where the aircraft went and the purpose of the flight, whether it was government business, personal or of a political nature.

Even though the Minister of Transport (Mr. Lang) is absent, I feel this is a legitimate question to raise because I have raised it many times before in his presence and have received no response. Without referring to the matter of privilege, which was deferred until tomorrow, I would like to refer to the article entitled "The Unhappy Landing of Otto Lang" which appeared in the June 4, 1977 edition of the *Canadian* which quoted the Minister of Transport as saying that he would continue to use government aircraft whenever he wanted and that he had used government aircraft since the

time he gave the answer to the House that he had spent three-quarters of a million dollars on his own flights. Therefore, if he is being so forthright in admitting the cost of his own department and his use of aircraft, and since he is the minister responsible for all ministers who use these aircraft for flights of a personal nature, then I think he should be just as open and just as free in giving information to the House about the Minister of Agriculture, (Mr. Whelan), for example, who has made 32 flights, and maybe more, on government aircraft for private visits with members of his family at the expense of taxpayers.

In conclusion, having raised this matter on a number of occasions, rather than being told these things are going to be answered soon, some time or probably never, I think the parliamentary secretary should now have the decency to rise and tell this House when we are going to receive answers to questions which have been outstanding for over a year.

Mr. Speaker: Order, please. Orders of the day.

GOVERNMENT ORDERS

[*English*]

FISHING AND RECREATIONAL HARBOURS ACT

MEASURE TO PROVIDE FOR ADMINISTRATION AND DEVELOPMENT OF CERTAIN HARBOURS

The House resumed consideration of the motion of Mr. LeBlanc (Westmorland-Kent) that Bill C-7, respecting the administration and development of certain fishing and recreational harbours in Canada, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, just before the noon adjournment, I was speaking about some of the comments made by the parliamentary secretary and the hon. member for Northumberland-Miramichi (Mr. Dionne) regarding the plans, thoughts and philosophy behind Bill C-7, the Fishing and Recreational Harbours Act. The minister pointed out earlier that this bill is really a culmination of several studies within the department. It flows from the original government harbours and piers act, which was fundamentally the bill back in 1895 and was revised in 1937. Obviously, there is some necessity to give some legislative framework to the order in council which has gathered the administration of small craft harbours under the Department of Fisheries and the Environment from the two previous departments which looked after it, the Department of Public Works and the Department of Transport.

The parliamentary secretary used the word "rationalization" rather freely. This is one of the areas of real concern to those of us from coast areas which have small craft harbours in their constituencies. Many of us have heard before the phrase "rationalization of rail services". We all know that the

potential rail line abandonments in smaller places in the west and in the east have caused a good deal of concern in the rural or smaller areas of the country. Prior to that we had a rationalization of postal services under the then postmaster general, Mr. Kierans. All across the country from coast to coast under the logic of a cold efficiency and obviously, I guess, a dollar economy of rationalization, small post offices in the rural areas were wound down and closed out.

• (1550)

While I admit freely that this may be more efficient—although now in view of some of the activities of the Post Office Department we do wonder about that—what you can never put on an economic chart, Mr. Speaker, is the social distress that closure of a small post office in a rural area creates when a common meeting place, a place where you see your friends when you get your mail at a certain time, is eliminated. A little part of the heart and soul of that community is eliminated with it and you have a conflict going on, a paradox. The new social order gives lip service, anyway, to trying to broaden the urban base but, especially among the young people of this land, there is a very definite migration from the urban areas to rural areas. In terms of lifestyle, getting back to the land and to nature, you do not only have to eat granola in the morning, wheat germ in the afternoon and celery sticks at night-time to appreciate that there is inherent in an awful lot of Canadians a desire to move out of the concrete jungles and get back close to the land. Yet, when you get close to the land, you have a problem with post offices and in many areas of the country—and the Hall Commission reported on this not too long ago—you have a little problem with rail lines which have a potential to give rapid transit to people, let alone goods, wheat and raw resources, that no other mode of transport possesses.

So we come to this bill and we hit the word "rationalization" with reference to small craft harbours. Mr. Speaker, my riding in large measure runs along the Bay of Fundy in Nova Scotia. We all know that the Bay of Fundy has the highest tides in the world, which makes maintenance of wharves and piers that much more difficult. Members are surely by now aware of fantastic power potential there is in the Bay of Fundy tides. We are still talking about a review of the review of the review of the task force as to whether there is to be a Fundy tidal power project. This is a renewable resource, a free resource, and we still have not got too far off dead centre on it. But that potential power, especially in the storms, creates fantastic havoc with the facilities in these small ports.

Thus, I can see the reason why there has to be some reorganization in the administration of small craft harbours to involve, now, the recreational boater, which was certainly not a feature back in 1895. It was not valid, perhaps, in 1937. But I do caution those who will be implementing this Act not to use just the cold broad yardstick of efficiency and economy in deciding where facilities are to be maintained and/or built anew because we all know in Nova Scotia that under a policy of benign neglect fewer and fewer villages along the shore have any wharf facilities.

Again, from the standpoint of economics and cold efficiency officials, albeit sincerely, can say: Well, Mr. Nowlan or Mr. Jones or Mr. Smith, you really cannot support a wharf or a pier there because the landed value of fish does not justify that type of support. Of course, it is easy to say that after three or four years of benign neglect when the facilities are in such a state of decay as to involve in many cases the erection of a brand new wharf. As I said earlier, the Bay of Fundy has the most difficult waters that the minister has to worry about in terms of tides which are over 50 feet high and a coastline which really does not give any protection from the northeast or northwest gales so the cost of building the facilities is rather heavy in terms of the landed value of fish. But the removal of those facilities—and this is an old story in my part of the country as I am sure it is in that of the parliamentary secretary and of the hon. member for Northumberland-Miramichi (Mr. Dionne)—it is a little more important than the closing of, say, a Post Office which destroyed the social heart of a community. Once the wharf facilities go, even if they are not all fishermen in the village, you are taking away really the last economic justification for that community.

I could take you along the shore today, Mr. Speaker, and show you pictures of how it used to be and you would be amazed and horrified at the way in which inshore facilities along the shore of the Bay of Fundy have really gone downhill. Now, I have to compliment some officials. Just before the transfer of Fisheries from the Department of Public Works and the Department of Transport, there was a very enlightened official in the Department of Fisheries or the Department of Public Works in Halifax and through his efforts and mine, we were finally able to organize an integrated approach to some of the facilities along the Bay of Fundy shore. With regard to the need for public involvement the hon. member for Halifax-East Hants (Mr. McCleave) mentioned the necessity for an annual report so that we would know how this Act is being implemented.

The Act gives tremendous power to the minister to make discretionary decisions as to where a wharf is to be maintained, where fees are to be charged, where the wharfinger is going to be, and so on. Many people in this House probably don't even know what a wharfinger is—likely they think it is some bird which travels from north to south in the winter and from south to the north in the summer. Sometimes. Mr, Speaker, some people on the shore would like to see the wharfinger as elusive as a bird which migrates from season to season, because if the wharfinger isn't there to assess fees then that's a little easier on them from time to time. But in this Act we are giving the minister a power to determine the life of an awful lot of small communities in this country.

I would hope that rationalization is not carried to extreme because if it is carried to extreme, Mr. Speaker, we are going to see even more small communities closed out, people forced away from their livelihood, forced away from their historic life pattern; the sequence is there sociologically as one of the reasons social welfare rolls and social assistance payments have increased. You get an outflow from the small communities and often that outflow has only one way to go—it is drawn to the magnet of the urban area, often creating more urban and social decay which increases the rolls. It is a bad pendulum. So, I hope there will be a little more explanation, once this measure gets to committee, as to how the minister intends to interpret the legislation. This, of course, is something my hon. friend talked about this morning. How is the minister going to interpret, for example, this word "rationalization" which in theory sounds so fine. I certainly recognize there has to be some type of rationalization and readministration of the various departments from a practical point of view. The Minister of Fisheries and the Environment (Mr. LeBlanc) is bringing the legislation up to date. But, certainly, rationalization should not be the only test when you are dealing with the livelihood of so many communities across the land.

● (1600)

There is another matter which I hope the committee will consider. But before I leave the subject of rationalization, let me say that it is because of that suggestions were made here earlier this morning about public involvement, perhaps even before rationalization occurs, so that the communities will know where they stand in the pecking order of priority or survival, or priority in the maintenance of the facility, and so they will have some input.

You do not want to alienate the person you are trying to help by letting him learn from the newspaper or hear over the radio that the facility in his community is doomed and there is no hope of repair. That is the type of alienation that has been going on. I do not say it is any great plot. More often it is a case of omission. Certainly, if you are dealing with the fundamental lifeline of so many of these small areas, or even areas which are symbolic of a lifeline in the past, those small communities need a better deal and need to know where they fit under the planner's pen. That can come only with public involvement. Members of parliament and officials should have the guts, for lack of a better word, to meet with those who will be affected and to discuss the problems with them before a decision is made.

I was going to digress just now by recounting a situation in my own riding where, because of the courage of one of the officials of the Department of Public Works and the assistance of the boards of trade, the public was involved in what was called the Bay of Fundy harbour tour in which all communities were visited by the various officials, so that at long last the Minister of Transport (Mr. Lang) could not say it was the responsibility of the Department of Public Works, nor the Department of Public Works say that they would like to take care of it but it was under the jurisdiction of the Department of Transport.

We were able to bring them all together and, after a whole day of preparation, we went across 60 miles of the coastline into all the areas, even some areas where we all knew there was no hope for fundamental assistance because the tides had wreaked such damage. A public meeting was held involving spokesmen from all the communities—one of the hottest meet-

ings I have ever had the pleasure to attend—and I give full marks to some officials who had the intestinal fortitude to expose themselves to the public in that way.

That was two or three years ago, but as a result of the meeting and the tour we were able for the first time to get some decision so that at least five Fundy areas were selected and funds were allocated to them so that work could be done, in some cases fundamental repairs and in other cases a better maintenance job for the existing facility to protect it. But even with that effort made two to three years ago there have been at least three other small ports in my area that have lost their wharfs, and in one case in Harbourville the department says it will cost over $1 million to put a similar facility in place because not only the wharf but the breakwater has gone.

I am prepared to admit—the officials do not have to tell me—that in many of the cases you cannot justify the expense by the landed value of fish. I say there has to be something more than the landed value of fish when you try to assess the life of a small community. I hope we will be able to explore this matter in committee. I do not know whether there is sufficient power under the bill before us, but I believe there is power for the minister to become involved jointly with the province in enterprises where not just the landed value of fish will determine where a facility goes. I hope a joint program can be established with the province to integrate the landed value of fish and other considerations in that community.

I admit that many inshore communities are not as vibrant today as they were years ago. We have just extended our shore line by 200 miles, and fish is a renewable resource. Let me say to hon. members that if they do not eat fish, they should start doing so because it not only gives you brains but it gives you protein. It is a lot better to eat fish from the sea than to eat fish from our polluted rivers inland. But that is a digression. I can see a situation where it would be in the interests of the federal government to contribute to a program linked and merged with recreation, tourism and highways. In several areas in my constituency the road into the community is dependent upon the maintenance of the breakwater, because when the breakwater goes, the road goes.

That has already occurred in some parts of my area. Yet you get the department of highways saying, "Good gracious, we cannot maintain the road because we have lost the breakwater, and that is a federal responsibility". The federal people responsible for the breakwater will listen to the complaints and say, "we cannot rebuild the road because that is a provincial responsibility". The upshot is that regardless of whose responsibility it is, the reality is that the persons in the community do not have a road.

I hope that with the powers under the bill, and using a little imagination, an intergrated approach can be developed, merging the fish function with recreation, tourism and highways. I do not know, Mr. Speaker, whether you have been privileged to drive along the shoreline in my constituency, but if you have you will have seen that there is quite a difference between a fishing community with an even small wharf facility, with recreation boats and a few trawlers, and another small community farther down the shore where you do not even have to look to see whether they have a wharf because you can tell by looking at the state of the houses and the fact that the one store they have is closed to know that it does not have a wharf. So I hope there will be some discussion of that matter in committee.

There is one further matter regarding the allocation of funds that I would like to mention. I am not sure how much time I have left, and I know that our time is restricted. I say this in an inquisitive way and I hope that we will have an explanation of this in committee. When you speak about rationalization and the life of communities along the shore, whether it is on the east coast or the west coast, I would like to know what formula will be used for the allocation of funds, and I hope the minister can explain it in more detail.

Some hon. members who have been here longer than I have always been suspicious about how funds are allocated. Is it really the landed value of fish that determines it, or is it sometimes the landed value of votes? I think that in the past, to be fair, the landed value of votes was a much more realistic factor than the landed value of fish. But if you could carry both, if you had both fish and votes, you were guaranteed your wharf facility. To be fair, I think that fortunately this was more the case in bygone days.

Now, in Nova Scotia, different zones and regions are allocated different funds. There are budgets for certain zones. You try to work with that budget to do something within your area. But then there are larger zones. I do not know how many hon. members appreciate the fantastic value of fish in Nova Scotia. We hear about Newfoundland all the time, and about British Columbia and their romantic salmon, which certainly catches the imagination more than the basic Atlantic fish that we catch in Nova Scotia. A couple of years ago I was surprised to hear that in 1971 the report of the department of fisheries for Nova Scotia stated that Nova Scotia had a higher landed value of fish than the province of British Columbia. Taking all the Atlantic provinces together, the landed value of fish far outranks that of British Columbia.

For a couple of years Nova Scotia was the leader in the land in that respect. It was ahead of British Columbia. It is not number 1; it is usually number 2. I am talking here about $60 million plus, compared with $58 million for British Columbia. So we have a fantastic potential value for the economy. It is also part of the export trade. But I will not belabour that. Two years ago I was very interested in trying to get funds for the restoration, maintenance and erection of wharf facilities in my area, and I found that department officials would admit privately, and show me on charts, that we were not getting our fair share in terms of the landed value of fish anywhere in Nova Scotia. That was in 1971-72 and 1973-74.

I want to put this on the record in the hope that the minister will have a chance to review this matter and give us a more detailed explanation in committee. I would like to know what the formula is. I have before me figures regarding allocation of funds for harbour development programs. These figures are for

three base years, 1973-74, 1974-75 and 1975-76. They are for the maritimes as a group.

● (1610)

In 1973-74 we got $3.2 million. In 1974-75 the amount went up to $10.2 million. Then, under the general restraint program of last year, it went down to $7 million. Those figures are for the maritimes generally. In Nova Scotia, in 1973-74, the amount was $1.6 million. In 1974-75 it was $5.8 million, and in 1975-76 it went down to $4.6 million. The amount was reduced in 1975-76. We all know what an absolute reduction means in this kind of inflation. Hon. members can imagine the adverse affect there is when in these times of inflation figures are reduced. We are not getting as much as our dollar used to buy, so there is almost a double-whammy effect. I put figures for Nova Scotia on the record to segregate it from the maritime region because of the value of fish to Nova Scotia, let alone to Atlantic Canada as a whole—and Atlantic Canada far outranks B.C.

The only province which had an increased allotment in those three base years was Quebec. In 1973-74, the amount for Quebec was $800,000. In 1974-75 it was $4.3 million, and when every other province or region got less in 1975-76 because of restraint, Quebec's allotment increased to $10 million. In Quebec there was a steady rise and a graphic jump. The amount was doubled from the last base year.

I would like to know what the minister says about this. He will have a chance in committee. Perhaps the amounts increased so significantly because there were not many facilities in Quebec before these three base years. I do not know, but in terms of the landed value of fish, which is supposed to determine the allocation of funds, I hope the minister will give us some explanation with regard to Nova Scotia and the maritimes where the landed value has gone up. In those areas the allocation of funds for wharf facilities went down, and the only area in which the allocation went up consistently for those three base years was the province of Quebec. I want to see how that relates to an increase or decrease in the landed value of fish so that I can get some idea of the consistency or equity in this important policy of allocation of funds.

I admit that in any program there has to be flexibility, reflecting the definite and distinct regions of this land. Certain regions demand almost different policies from time to time. The Bay of Fundy, with its peculiar hard shoreline and high tides, is one of the most expensive places at which to maintain any wharf facility. There is no protection from either the sea or the rise and fall of the tides. Even B.C. does not have the tides we have. Thus, different policies will have to apply under an over-all umbrella. However, to be flexible you have to be fair or you might build up alienation.

The allocation of funds must be dependent upon rationalization, but we must make sure that rationalization does not become elimination, and we must make sure the flexibility in a program is also fair so that there is an opportunity for some of the most independent people in the world to maintain the existence they choose to maintain. That existence gives them a certain amount of internal freedom which, frankly, has my respect. It is a standard of independence which I think many Canadians might like to have.

I was glad to participate in this part of the debate on Bill C-7. I am looking forward to this bill getting into committee and hearing the minister explain some of the matters I have mentioned. Because the value of other things has gone up, perhaps the value of the inshore fishery in my area is not as high as it once was. In my old constituency of Digby-Annapolis-Kings which I had the privilege to represent, the county of Digby was one of the most prolific areas for fish in Nova Scotia, and there are still very meaningful communities there which depend upon fishing.

Extending our shoreline to the 200-mile limit helps deep sea trawlers, but with proper administration of wharf facilities and proper policies from the Department of Fisheries we could see a restoration of the inshore fishery. It may not be as big as the offshore fishery, but there is a place for it. It would be like an ostrich putting its head in the sand, if a renewable resource which contributes vitally to the economy of many small areas was forgotten. It would be unfortunate if we did not have the capacity to help those areas. I pray that we will have the capacity to develop constructive policies which will maintain them.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I am very pleased to have an opportunity to participate in this debate, not that I am a man of loquacity or one who hastens to get a chance to talk, but I have never noticed that too much attention has been paid in this chamber or, indeed, in the country to the people engaged in the fishing industry. I therefore think it is worthwhile that we are concentrating, through Bill C-7, on the problems of a group of people who in the last decade or two have had extremely difficult situations with which to cope.

Problems have been brought on because of actions or non-actions of our government, because of intrusions as a result of the activities of other countries, and at times, it would appear, from the very forces of nature itself. This group of people, the fishermen of Canada, have had a very difficult time in the last 15 or 20 years. The hon. member for Annapolis Valley (Mr. Nowlan) has spoken about a number of matters and I did not find anything in what he said with which I disagree. He used the expression "benign neglect", and as I move about the coast of my province—I do not have to travel very far to get to the coast of Prince Edward Island; it is not an enormous journey—I see the very thing to which my hon. friend has referred, a benign neglect. However, in the case of P.E.I., as I hope I can demonstrate in a few minutes, the neglect has been something more than benign. It has been a planned neglect, and it has brought about a very regrettable situation which stems from an agreement between the provincial government and the dominion government.

Although the hon. member for Annapolis Valley boasted a bit about his province, he was quite right in referring to the seriousness of the loss of a community sense of identity. We have overorganized, integrated our schools and brought about

large units of administration. We have done the same thing with churches. We have tried to rationalize everything into bigger units, worshipping stupidly and foolishly at the temple of largeness and forgetting that you do not have to be big to be great or to be good. I think that in Atlantic Canada, where in a very real sense this country began, the decline of the community, the loss of its schools, the loss of the community hall, the loss of fishing centres and all these matters have done things to our way of life which have not been improvements but, indeed, have been quite the opposite.

Down in eastern Canada, where the fisheries industry used to be king, to have it declining and shrinking is something that everybody, whether engaged directly in the fishing industry or not, should be deeply concerned about. We have lost that sense of common interest and have become depersonalized. That is not good for a society like ours which should underscore the closeness of the relationships between people.

● (1620)

I thought of this as I compared my residence in Ottawa with my residence in the little fishing centre in the very beautiful seaport of Victoria, Prince Edward Island. Some months ago my home in Ottawa was burglarized, quite extensively for an impecunious person like myself, and no one saw what happened. In my little home in Victoria, if I sometimes inadvertently leave a light on in the attic or the basement, my 95-year old neighbour will let me know right away. This is the kind of concern that I cherish. But in my street in Ottawa, just the summer before last, someone looted one of the houses, taking away all the furniture in a big truck. No one knew about it, because there is no sense of community, no personal contact. That is the kind of thing which made the little community so important: it was centred on the church, the school, the town hall, the wharf and places where the community got together. We have lost that.

I agree with my colleague that in recent years it has been difficult to get to a centre of authority in terms of harbours. If you approach the Department of Transport you are told that the Department of Public Works has jurisdiction over certain areas, and then you find that in matters pertaining to small harbours it is the Department of Fisheries that has authority. I think the hon. member for Annapolis Valley was correct in saying that the people who work in the departments are conscientious. I do not think that most public servants are bad or stupid; I think the majority are pretty good folk, trying to do the job as best they can. There is always a little bit of runaround, however.

I have been concerned about a particular matter for some months and have come to the conclusion that every time I write a letter about it to the Department of Transport a copy will be sent to the Department of Public Works and to the Department of Fisheries. In that way they will all hear the same story at the same time—and so far they are all performing with the same lack of activity. In relating the ancient fishing industry to tourism, a fairly modern industry, this bill has recognized a development. We have had the story of Nova Scotia, and I should like to say a word or two now about Prince Edward Island, another important fishing centre. My hon. and reverend colleague, the hon. member for Egmont (Mr. MacDonald), planned to take part in this debate, but we decided that the chamber could probably tolerate only one Prince Edward Islander at one sitting. What I say today in general terms expresses the concern which he shares. Of course, I will not be able to express myself in the ecclesiastical language he could use, being, as Anthony said, "a plain, blunt man".

Mr. Speaker, I do not like to read things into the record, and very seldom do so, but I should like to refer to the annual report of the Department of Fisheries for 1976 which begins as follows:

> The fiscal year 1975/76 could have best been described as a year of retrenchment for the Canadian fishery, a year when government bought time for the industry while it carried out an in-depth study of its complexities in an attempt to determine the reasons for its lack of stability and ability to sustain itself as a viable part of our Canadian economy. Meanwhile, fish stocks continued their decline, management procrastinated and the foreign fleets continued their systematic harvest offshore. At this time we are still making polite gestures at the ongoing Law of the Sea Conference, the U.S. government now having declared their intentions to establish a 200 mile limit. Surely, if for no other reason than the fact that our neighbours have beat us to it we will follow suit.

If I may interpolate, that is very prophetic and timely, as meetings are now going on. It continues:

> On the provincial scene, with our 1976 fishing year about to begin, we are told that 80 per cent of the Gulf redfish quota has been taken by those who should be fishing offshore, and the gulf cod fishery doomed to a similar fate unless some positive steps to curtail these fisheries are taken. Gulf based fisheries which rely heavily on the greater portion of these quotas will have to settle for what is left and undoubtedly will have a lean year in '76.
>
> Obviously, our ability to manage our fishery considering the interests of those Canadian fishermen who totally depend on the Gulf of St. Lawrence has much to be desired. There is no doubt in the minds of those of us who rely on this fishery that while we are aware of the need for a 200 mile economic zone and what it may do for the Canadian fishery, we are more aware of the need for some intelligent management of our fishery here in the Gulf.

I could talk about the problems of a fish not mentioned by the preceding speaker, the mackerel. It may not have flesh the colour of the salmon, but it is one of the finest, most delectable fish we have in this country. I should like to commend the minister for a program he began—though I fear he may have dropped it—to promote across the country that important, highly nutritive and tasty fish, the mackerel. It is a terrible situation when we find that mackerel in our supermarkets comes from Norway, Japan, Portugal or Spain, and often it can be taken in the Atlantic Ocean. I have been horrified when I have bought fish which I thought was packed in New Brunswick or Nova Scotia and then found it labelled, in small print, "Product of Japan". When I check with fishermen in my own area I am told that in a given year they throw out a couple of thousand pounds of mackerel because there is no market for it.

It is time the country was educated on the nutritive value of fish, and it is time the fish plants were furnished with the best equipment available so that they can compete in the marketplace. We must also learn not to discard portions of the fish and, instead, to put them to use in making fertilizer and other ingredients important to agriculture.

The Canadian fisheries industry needs to be upgraded. There is tremendous scope for leadership here by the minister. I do not think we have a bad minister at present. Last week a member from Newfoundland was almost embarrassed: he said the minister was the best ever. Then he remembered there had been quite a few Liberal ministers, and he said he was one of the best. I think the minister is capable of doing a good job because he has the basic interest and has the capacity to reorganize this long-ignored industry.

I should like, now, to say something about a situation which has developed in Prince Edward Island and which in my judgment is wrong constitutionally and in my conviction is wrong in the interests of the fishing industry. The government of Prince Edward Island and the government of the dominion of Canada have made an agreement, under the wing of the Department of Regional Economic Expansion, whereby only some of the ports of Prince Edward Island are to be maintained while the rest fall into decay and decrepitude, as was mentioned by the hon. member for Annapolis Valley.

● (1630)

As I read the British North America Act—and I read it only a few years after I learned to read the Bible—section 91 gives the government of the dominion responsibility for certain specific areas of jurisdiction, beacons, buoys, lighthouses, and Sable Island, navigation and shipping; and, under No. 12 of section 91, sea coast and inland fisheries. There is not a port in Prince Edward Island for which the government has not responsibility under the basic, written portion of our constitution. Any agreement whereby the province takes over the maintenance of only 15 or 20 harbours and ports is an affront to the constitution and dereliction of responsibility to the fishing industry. The agreement has not worked well.

One of the most important ports in Prince Edward Island is in the Prince Edward Island national park, a place so beautiful that it receives perhaps one million visitors a year, though the population of the entire province is but 112,000 persons. Sitting in the midst of that park is an active fishing port, a port from which tourists embark on deep sea fishing and have the joy of hauling in the beautiful mackerel, cod, and if they are lucky enough, haddock. But we cannot get improvements made in Cove Head because we are told, "It is not a designated port. It is just too bad. It can go hang." Its pier is crumbled. It is allowed to go neglected and its fishermen can be inhibited from fishing because "we don't care how it looks to the tourists. We are not going to jazz it up with a nice paint job because it isn't a designated port."

Another beautiful port on Prince Edward Island's south shore is Victoria, from where my late father used to sail out in sailing ships. It is the port from which he left to join the Royal Canadian Navy in the first war to join that great aggregation of fighting strength called the "Tin Port Navy". For years we have had tourists coming from all over this continent and Europe to see that beautiful place. But today no substantial ship can enter Victoria harbour, the port which has been used over 200 years, because it is not dredged. To make sure nobody comes in, they turned out one of the range lights. Therefore you cannot make it in. You might make it halfway in but, as any seaman knows, half safe is not safe at all. Again, Victoria does not rate for improvement because it has not been selected as a designated port.

I would say to the minister, if he were here, and to his parliamentary secretary, if I could find him, that the department is derelict in its duty by hiding behind the agreement the province made with the dominion government. It is responsible for the maintenance of that harbour, and its responsibility is no less now than it was when the fathers of confederation laid it down. I say, further, that here we see an example of neglect, made possible by a cozy arrangement which has been deleterious to our people. This is no time for the government of Canada to be narrowing its interests in the ports of Canada. With our fisheries assailed from without and undermined from within, it is up to the dominion government to take positive steps to strengthen the ports, not to weaken them; to encourage our fishermen, not to discourage them. These people have sustained far too many reverses already.

I think in my 20 years in this House the best parliamentary question I ever heard was asked by a member from Newfoundland no longer with us, Mr. Peddle. One day he stood and asked the minister of fisheries of the day, also no longer with us, if it was the government's policy to let the Russians take one-half of our cod, and the seals eat the other. Of course, to a question like that no minister can reply satisfactorily, and Jack Davis was wise enough not to try. But the question typified the troubles through which this particular sector of society is passing. They are engaged in seasonal activity. Lobstermen on Prince Edward Island, in some parts this year worked a short season. They lost a week at the beginning owing to ice conditions. They had difficulty establishing claims for unemployment insurance because the season was so short.

How can you criticize a man for not working all year, if the government says he can only fish for a number of weeks? If the fishermen are not beset by government regulations, they are beset by problems of mercury and heaven knows what else which prevent their taking the harvest of the sea. I hope we will look carefully at this bill and determine its degree of usefulness and how much help it will give to an industry too long neglected, much overburdened but still an ancient and important sector of our community, namely, our Canadian fishery.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, the hon. member for Hillsborough (Mr. Macquarrie) portrayed in graphic terms the plight of the fishermen of Atlantic Canada. The plight of fishermen of his constituency is also the plight of fishermen all over Atlantic Canada. What he said about Atlantic fishermen and the port of Victoria could be applied with equal force to other Atlantic fishermen and other ports.

The government has made proposals to our fishermen, proposals which will not work. Let me allude, for example, to the matter of centralization raised by the hon. member for Hillsborough. It was suggested that instead of our people having one port in every village or town, there should be one port for

each ten or 20 communities on the coastline. That proposal was socially unacceptable. Nevertheless, the Department of Fisheries in the past ten years has been instrumental in implementing this proposal as part of the policy of the government. What has been the result? One finds, for example, that large ships cannot enter Victoria Harbour because it has been neglected. The government has not said it will abandon the port. It denies any such suggestion, but its design is insidious. I want people in the Ottawa offices of the department to know they are causing unnecessary hardship for our fishermen along the coasts of Canada.

Let me tell the House of the effect of certain regulations. I am thinking of certain economic opportunities relating to fish landings. Mr. Speaker, in one instance the department recently recommended that no DREE grant be given to a certain area because no fish were landed in that particular area. Technically, the ministry was right: fish were not landed there. Why? The reason was there was no processor to receive them. But fishermen brought in the fish which were sold as salt or smoked fish. When someone wanted to enlarge the operation to process the fish the fishermen had brought in for themselves, it was held that no fish were landed in that area, and therefore the Department of Fisheries recommended that no DREE grant should be made available.

Mr. Speaker, fish processing facilities have been established near that point along our coast. By virtue of the regulations, without any consideration whatsoever for the health of the consumer of that product, the ceiling was too low, the vats were too shallow, and they were not properly vented. One processor after another spent his means improving his facilities, only to find that a further regulation made him still inoperable. He could not continue to function. The regulations which came out of Ottawa with regard to the fishing and processing industry have been utterly and completely without any awareness of the facts of life along our shores.

● (1640)

In one harbour in my constituency in the last three years there were three prospective plans for the improvement of that harbour by construction of a breakwater. One was totally unacceptable to the fishermen, one would have been of moderate help to the fishermen, and one would have made a beautiful harbour out of that location. The one that was totally unacceptable was not built. The one that was partially acceptable was built. Fishermen are still suffering, while expecting protection from the construction of that combination pier-breakwater.

I submit there is little justification for the present allocation of public funds as it relates to the maintenance, replacement and improvement of fishing harbour facilities along our coasts. The bill before us offers very little hope that there will be any particular change.

I would first like to deal with the appointment of the wharfinger as mentioned in clause 4. The collection of wharfage fees from fishermen and small boat owners has been the subject of very serious contention. It has been a point of conflict between fishermen and the department for quite some time. So that it will sound more authentic, I wish to quote the hon. member for Comox-Alberni (Mr. Anderson) as he spoke in the fisheries committee on February 28, 1975:

—on the west coast of British Columbia we have different sorts of harbour facilities. Some have wharfage managers, some have not. Although these wharves are built by the federal government through federal funds, because of the fact that some of these wharves are isolated and are only used at certain times of the year, we do not put someone on them.

I will not bore the House by reading a quarter of a page of a committee report, but the hon. member went on to say that the wharfage fees are collected in some ports on the coast of British Columbia, not collected in others, and that it is a discriminatory policy as far as the government of Canada is concerned. It must be authentic, because the hon. member for Comox-Alberni does not belong to an opposition party. I wish to quote from the proceedings of the Fisheries committee of March 4, 1975. In recognition of the remarks of the hon. member for Comox-Alberni, the minister, in the introductory remarks to his estimates, said:

I believe the hon. member for Comox-Alberni referred to the discrepancy of wharfinger and harbour fees collected from some fishermen and not from others. I should explain that the new act relating to the development and use of fishing harbours and marine facilities is in the course of preparation by the small craft harbours branch of the fisheries and marine service.

That was the promise of the minister. The minister, prior to the 1974 election, promised the House that wharfinger fees would be levied and assessed on a basis which was fair to all users of all port facilities. He promised he would put an end to the argument by the fishermen that if they docked at port A the wharfinger caught them; if they docked at port B, the wharfinger did not catch them; and that fisherman X never paid wharfage fees no matter where he docked. That may sound difficult to believe. However, in answer to a question by myself on November 17, 1976, among the facts given to me was the statement that 1,128 facilities have no wharfingers. That means that in 1,128 ports along the east coast of Canada no wharfage fee is collected from those who use the facilities. From the answer of the minister I find it extremely difficult to understand how a government can impose charges on some who use the facilities, and totally ignore the rest. It is not fair.

The question was also asked as to how a wharfinger is paid. For the information of those who may not know, the first $100 which the man collects is his. he keeps 90 per cent of the next $300, 50 per cent of the next $300, 25 per cent of the next $1,800, 15 per cent of the next $13,500 and 5 per cent of the remainder. This means that of the first $2,500 collected, the wharfinger keeps $970. From that point on there is very little incentive for him to do any further work. This seems to be the pattern of work performed by wharfingers. They collect a little and they quit shortly thereafter. I abhor this system of charges. We have had the word of the minister that this will be corrected. We presently have a bill before us in which no correction is made. It is discrimination in a vile form.

I ask that the parliamentary secretary inform the minister in the strongest possible words that the hon. member for Comox-Alberni and members from the east coast of Canada ask that

this discrimination come to a halt forthwith, without any excuses whatsoever. It has been said that those presently employed by the department have so many duties that they cannot collect wharfage fees. If that is the case, add someone to the staff or add a little extra duty to those already there. However, let us not continue this discriminatory structure in perpetuity against anyone in Canada.

I am also concerned by the fact that this bill suggests there shall be an assessment of harbours. I presume that means a classification of harbours that will be done by members of the department. If it is deemed to be unimportant, what happens to that harbour? The measurement is to be assessed by the measurement of fish landings. In that case, there are many ports on which we will never spend another dime. The fishermen in the seining fleets may never land a fish in the port which they call home. The seining fleet will deliver its large catch to concentrated areas for processing, and return home. They will not land at the port from which they operate. Therefore, if we assess some of our ports on that basis, they will disappear.

● (1650)

As for the lobster fishing industry, lobsters are deemed to be landed when they are brought ashore and put in the pound. There are a dozen lobster pounds along the shores of the Atlantic Provinces which would have provided proper measurement for making a large expenditure. However, the lobster fisherman would be given no protection, no improvement of his facilities, if the lobsters are recorded as landed when inspected by the department's inspectors. This is no guide. These coastal fishermen are not equipped to travel 10, 15, 20 miles along the coast to fish lobsters or any other kind of fish. They live in an area with which they are familiar and which they are capable of fishing, and that is the area which must have the port facilities to accommodate their fishing fleet. A harbour cannot be assessed by virtue of fish landings; that is not an accurate measurement in any way, shape or form.

A schedule of harbours is to be promulgated by regulation. Fishermen are not competent to keep up with regulations as they are changed or replaced by new ones. Will the Department of Fisheries undertake, for instance, to submit to every licensed fisherman along the coast each regulation with respect to harbours which he uses in advance of its being enforced so that these fishermen have the chance to ask their lawyer to read it? Because I cannot read some of these regulations, and I do not think some fishermen can read or understand them either. Or is it the case that we are going to continue to operate ports and our fishing industry by regulation emanating from Ottawa or some other cavernous place where regulations are made by someone who has no knowledge of the industry and their legal effect on the industry?

There are certain aspects of the bill regarding which the Minister of Fisheries, and provincial departments, can co-operate; but in this bill I detect another attempt not to co-operate with the provinces in regard to fishing harbour facilities but, rather, to transfer the national expense of such facilities to a provincial treasurer. This is not what Ottawa should be all about. The idea suggests to me that if the department does not want to fix up a port—perhaps tourism is a little side issue here—it will make a deal, say, with the province of New Brunswick, or with an individual, or with a corporation. It is the government of Canada's responsibility to provide these facilities for the use of the public, not to avoid providing facilities required by the public or to transfer the expense of such facilities to a provincial treasurer. I think this is what is implied in clause 5—that the government may make a deal with a person, a corporation or a province—and I deplore that. It is definitely in keeping with the way the department has been operating over the past few years, when there has been great neglect. If the government can transfer this responsibility, they may also transfer the blame for this neglect.

I suppose it has always been the right of the government of Canada, under the law, to lease a harbour or part of a harbour, but I would feel very much happier with this bill if in clause 8 the government would undertake to have consultations with people living in the area of the harbour who have used it traditionally for any purpose. But there is no obligation under this bill upon the government to consult the public prior to the leasing of a harbour to an individual or corporation. I think this presents a danger to the area I come from. I would ask the government to reconsider this provision to the extent that this can be done only after proper public hearings are held in the area concerned—not in the ivory towers in Ottawa.

Clause 9(*b*) gives me great cause for concern. I am as concerned about the environment as any member of this House, but I am more concerned at the fact that there are already three other pieces of legislation under the direction of the minister governing the people of Canada in respect to pollution of waters and lands. We have legislation concerning inland waters pollution, coastal waters pollution and offshore waters pollution. We now have clause 9(*b*) which is another piece of legislation giving control over the environment. The provinces have regulations. The municipalities have regulations. The federal government has a multitude of acts overlapping one with another, of which the general public, and certainly the fishermen, have no adequate knowledge. On top of all this, the government now proposes clause 9(*b*) further to control the environment. I say it is superfluous in view of all the other legislation having to do with the environment which is presently in place.

Let us put these things under one canopy, Mr. Speaker. Let us not have them spread around. We do have spreaders for certain items used on the farm, and it looks to me as if one of those must have passed through the Department of the Environment when the department was framing control of the environment legislation, because they have sure spread it all over the statutes of this country to an extent that nobody could be expected totally to understand. If offences are created by this legislation, a schedule of penalties should be appended to the act. We are going to be pretty much subject to regulation, with the exception of one offence involving a very minor fine.

There is also one other very harsh provision in this bill. There is no question that if a corporation commits an offence under the legislation, it should be punished. But under clause 21 a member of a firm may be penalized whether or not his employer is charged with certain offences. Under certain conditions this is acceptable, but this looks like a basket clause to me. It lays down no guidelines as to when a corporation is responsible; it leaves the responsibility with the person himself, and the opportunity is there for the department to pick on a person rather than on a corporation.

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

Mr. Deputy Speaker: Order. It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions and private bills. The President of the Privy Council (Mr. MacEachen) on a point of order.

Mr. MacEachen: Mr. Speaker, you will recall the question as to the possible interpretation of the special motion on extended hours of sitting, particularly with regard to what the regime would be on allotted days. I suggest, and I believe I have the approval of hon. members, that we interpret the motion to mean that the House will sit at two o'clock on Mondays, Tuesdays and Thursdays when such days are allotted days. If it is necessary to have a House order to that effect, then I suggest we should have it.

● (1700)

Mr. Baker (Grenville-Carleton): Mr. Speaker, I suppose we can agree that the words of the President of the Privy Council (Mr. MacEachen) could constitute the House order, if that is agreeable to all members. That is the essence of the agreement we have dealt with. As I understand it, on allotted days the House will sit at two o'clock in the afternoon, unless it is a day when the House normally commences at eleven o'clock, that is, Friday; and under the order which is presently on the order paper we would finish at the normal time as a result of a combination of what the President of the Privy Council has said and the existing order as amended.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if I add a few more words, I hope I do not extend the ambiguity. What the President of the Privy Council (Mr. MacEachen) has now proposed as an interpretation of the special order of May 30 corresponds precisely to what we agreed to when we met in the minister's office some time prior to May 30. I agree with the hon. member for Grenville-Carleton (Mr. Baker) that perhaps we could now have a House order that that motion of May 30 is to be interpreted as indicated by the President of the Privy Council: in other words, we meet on Monday, Tuesday and Thursday, when it is an allotted day, from two o'clock to six o'clock, we have the ten o'clock "late show" at six o'clock, and then we meet from eight o'clock to ten o'clock, and go home.

[*Translation*]

Mr. Béchard: I do not rise on the same point of order, Mr. Speaker, but on a separate one.

Mr. Deputy Speaker: It would be better to clarify the first point of order.

[*English*]

Am I correct in understanding that when the House is sitting on an allotted day the normal hours of sitting will be from two o'clock until six o'clock, with the adjournment motion from six o'clock until 6.30, and then from eight o'clock until ten o'clock on Monday, Tuesday and Thursday.

Mr. Knowles (Winnipeg North Centre): Vous avez raison.

Mr. Deputy Speaker: In order that this may be clear to all members, on allotted days the House will start sitting at normal hours. The hours of sitting will be from two o'clock to six o'clock, and eight o'clock to ten o'clock, with the adjournment motion taking place from six o'clock until 6.30 on Monday, Tuesday and Thursday. May it be so ordered?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered.

[*Translation*]

The hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) again on a point of order.

Mr. Béchard: Mr. Speaker, as was pointed out to the House a few moments ago, today is the 33rd anniversary of the landing of Canadians in Normandy. As hon. members ought to know, and if they do not they will momentarily, the annual meeting of the Canada-France Parliamentary Association is held in Canada this week and tonight at 7.15 p.m., as a tribute to Canadian soldiers who went to Europe to defend our liberties, French officials will lay a wreath at the cenotaph. I should like therefore that there be as many members as possible. So I invite them to attend that short ceremony, if they can, which the Minister for Veterans Affairs (Mr. MacDonald) will also attend.

Mr. Deputy Speaker: Order, please. I am sure hon. members do appreciate the information being given to them by the hon. member. Of course, this is not a point of order, but nevertheless I hope that as many members as possible will respond to that invitation.

Retirement Benefits

PRIVATE MEMBERS' MOTIONS

[*English*]

SUPPLEMENTARY RETIREMENT BENEFITS ACT

SUGGESTED AMENDMENT OF RETIREMENT FORMULA

Mr. Paproski: Mr. Speaker, I believe there has been disposition to allow notices of motions Nos. 16, 17 and 26 to stand at the request of the government and to debate Notice of Motion No. 30 in the name of the hon. member for Okanagan Boundary (Mr. Whittaker).

Mr. Goodale: That is agreed, Mr. Speaker.

Mr. Deputy Speaker: Is the House agreed that we stand, at the request of the government, notices of motions Nos. 16, 17 and 26 and proceed to the consideration of motion No. 30 in the name of the hon. member for Okanagan Boundary (Mr. Whittaker)?

Some hon. Members: Agreed.

Mr. G. H. Whittaker (Okanagan Boundary) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Supplementary Retirement Benefits Act to provide for the reduction of the "Magic 85" formula to 70 and the indexing of the new formula to the cost of living.

He said: Mr. Speaker, it is with a great deal of pleasure, and some apprehension, that I bring my motion to this House today under private members' hour. The motion reads:

That, in the opinion of this House, the government should consider the advisability of amending the Supplementary Retirement Benefits Act to provide for the reduction of the "Magic 85" formula to 70 and the indexing of the new formula to the cost of living.

I am proposing this motion in order to establish a more equitable escalation formula for armed forces and RCMP personnel pensions. Requests for such action have persisted since Bill C-220, some three years ago, created the anomaly between public service pensions and those paid to ex-militia and RCMP. The redress which was proposed for the original anomaly affected a mere 4 per cent of the pensioners. This redress, the "Magic 85" formula, has since been under constant attack by those who find themselves, through a combination of rank structure and index formula, left holding the short end of the stick.

The nature of the comment and criticism indicates that there is a lot of misunderstanding regarding the situation. It is not really the formula which prevents a retired serviceman from having his pension indexed as soon as he retires, but the rule discriminates as among retirees within the forces. The terms of the Supplementary Retirement Benefits Act itself provide for the indexation of all pensions at age 60, with certain exceptions, one of these being the "85" rule. The structure of the armed forces is what ultimately causes the discrimination. Canadian forces members generally retire between the ages of 44 and 55, as opposed to public servants who generally retire between the ages of 55 and 65. The "Magic 85" formula affects the Royal Canadian Navy the most. Petty officers are not permitted to serve for more than 25 years, so there is no way that a retired petty officer can get that increase before the age of 60.

I would point out that one other thing equally distasteful is that compulsory retirement age for corporals in the armed forces is 45. A corporal of that age will presumably have about 25 years of service; but he, too, will have to wait until the age of 60 to get the increment. However, if you are a lieutenant or a captain, the age rises to 47. If you are a major, it is 49. If you are a lieutenant-colonel, it is 51. If you are a colonel, it is 55. If you have served to the age of 55, you have a very good chance of having 30 years, service and you can immediately qualify for pension.

Understandably, Canadian forces annuitants claim that they should receive escalation immediately when they retire. They are forced to retire in the interest of maintaining an armed force which is also a fighting force. Established arguments for early retirement are applicable especially in the armed forces. Early retirement allows an employee suffering from ill health in his final years of service to retire in decent circumstances before normal retirement age, while sparing the employer the costs and inconveniences of such personal misfortunes as low productivity, high absenteeism, double-manning to overcome delays and disruptions in operations, and so on.

Another element of unfairness is that most of those who retire at age 55 or more will have a correspondingly larger pension than those who retire earlier. A person who retired on an unindexed pension will, when he reaches age 60, begin to receive a pension which compensates him for the increases in the cost of living between the date he retired and the date he reached 60. His pension will have been indexed on paper from the time he retired, and when he reaches 60 his pension will increase by whatever percentage the cost of living increased in the intervening years.

● (1710)

But to sustain any standard of living they would have to endeavour to continue in the work force until age 55 at least. Surely people who are forced to retire have the right to have their pensions protected. The rest of us who are working get increases every year, we bargain for them or we shop around until we get a job in which we can get a better rate of pay. People who are retired do not always have the choice. Ex-servicemen have found that employers are not at all appreciative of the varied training and skills that a service person may have acquired. They often do not get to the interview stage, with their qualifications.

The government has deemed that the need for an extra pension is not as acute for those in the age 45-55 group. That may be valid for regular civil servants. Although they are allowed to retire at age 55, not many do so. People in the armed forces, as I have pointed out, have no choice. Moreover, inflation rates have cut the real value of pensions considerably, and will continue to do so. In this day and age, when government resigns itself to the fact that we have 944,000 unemployed, and openly admits that the figure will go up in the near

future, it is socially irresponsible to thrust retired servicemen into the labour market, thereby creating greater competition for existing positions which are at a premium.

The standard argument used when refusing pension increases is the cost factor. Closely analysed, the figures show that there is a margin for accommodation of indexed pensions for them. The government pension plan is a combination of employer-employee contributions coming close to 20 per cent of the payroll. Very few private plans have anything like this rate of contribution. Half of the private plans existing in Canada have no contribution by the employee at all, and the contribution of the employer is comparable to that made by the government of Canada.

While higher rates of inflation build up pressure for the inclusion of indexing provisions in pension plans, it can also provide higher pension fund earnings which may be used to compensate for the depreciation of retirement benefits. The fact that interest yields tend to move in the same direction, and at more or less the same pace as the general price level, does indicate that the net cost of introducing indexation provisions in pension plans, or inflation-induced improvements in basic benefits, need not be as high as one might at first surmise.

Generous plans are not the exclusive enclave of the public employee, either. One major private employer provides pensions of 2 per cent for each year of service. This is multiplied by the average salary received during the best five of the last ten years of employment. Its plan allows early retirement with full benefits as early as age 50 as long as the employee's combined age and years of service are equal to 75. It also provides for an automatic cost of living indexation up to 10 per cent a year, and for further indexation beyond that percentage at the employer's discretion. What is more, Mr. Speaker, the employee makes absolutely no contribution toward the financing of the plan, so that pension costs are assumed in full by the employer. What can, and should, be done is to transfer some funds, by an act of parliament, from the Canadian superannuation fund to the supplementary retirement benefits account. Alternatively, the Canadian Forces Superannuation Act could be amended to provide for the payment of indexed pensions. Furthermore, I believe this action should be taken without delay.

The Canadian Forces Long Service Pensioners Association have already indicated that were it not for the government controls program it would have asked for indexation to begin the year after retirement, regardless of age or number of years served. Even this government cannot be contemplating keeping the controls on forever. I would hope the government would agree with this motion, but in anticipation that hon. members on the other side will not agree but intend to talk it out, I trust we shall be able to pursue our discussion for the full hour of private members' business even though some seven minutes were taken up at the beginning with points of order.

Mr. Robert Daudlin (Kent-Essex): Mr. Speaker, the motion under discussion this evening concerns a broadening of the provisions of the Supplementary Retirement Benefits Act as they apply to former members of the Canadian Forces and the Royal Canadian Mounted Police. However, before proceeding to discuss this issue I think it might be helpful to the House if I were to recount some of the history of this legislation and explain why the existing provisions read as they do. The Supplementary Retirement Benefits Act was introduced in March, 1970, to provide pension increases to persons receiving pensions or allowances under some 16 acts ranging from the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Civil Service Widows Annuities Act, to the Royal Canadian Mounted Police Superannuation Act and the War Veterans Allowance Act. It also provides pension increases for benefits paid under some ten sets of regulations made pursuant to some of the acts I have just mentioned.

This legislation was not the first pension increase legislation. The Public Service Pension Adjustment Act had been enacted by Parliament in 1959 in recognition of the difficulties faced by retired persons in face of the declining purchasing power of their pensions. Under that act, supplements to pensions of up to 32 per cent were made in the cases of those who retired before January 1, 1953, subject to the limitation that the pension of a former contributor could not be increased beyond $3,000 and beyond $1,500 in the case of a widow. Maximum supplements were limited to $640 and $320 respectively. The percentage adjustments were made on a series of sliding scales which depended on the date of retirement and the pension formula applicable to the pensioner. The actual adjustment was related to one-half of the increase in the cost of living since the years over which the average salary used in the pension formula was calculated.

One distinction to be drawn between the earlier legislation and the Supplementary Retirement Benefits Act is that the former provided for a single increase whereas the latter provided for continuing and cumulative increases as the cost of living rose. Another important distinction lay in the manner of financing these benefit increases. For many years prior to 1970, the government had been considering the possibility of increasing pensions in relation to changes in the cost of living after retirement, but did not feel justified in doing so solely at the expense of the taxpayers.

The present act was finally introduced only after the government decided to propose, after consultation with the unions, that the cost of pension increases for present and future pensioners was to be shared between the government and active contributors under those pension plans. The contribution-benefit relationship for public service employees was proposed by the advisory committee on the Public Service Superannuation Act and was subsequently endorsed by the national joint council of the public service of Canada. The way in which those proposals were extended to the Canadian forces and the Royal Canadian Mounted Police was developed in consultation with the Department of National Defence and the commissioner of the Royal Canadian Mounted Police.

These pension increases were to be financed by contributions of one-half of 1 per cent of salary by the present members of these groups. This cost-sharing approach was the government's justification for the introduction of pension escalation on a

continuing basis which it had been requested to introduce for several years. It was recognized that on what now appear to be conservative assumptions the contribution rates for this group might prove to be inadequate by 1976 and other means of financing would have to be developed.

● (1720)

In the case of the pensions paid in respect of former members of parliament, the Canadian forces and the Royal Canadian Mounted Police it was impossible to finance these increases with this total contribution of 1 per cent after the first two years unless the age of commencement of escalation were delayed to age 60, if the former member was not disabled. Accordingly, the original Supplementary Retirement Benefits Act provided that escalation of pensions for those groups would only commence at age 60 unless the pensioners were disabled earlier. It was this factor which was responsible for that feature of the law which was generally supported at first but has been the subject of requests for change.

On the introduction of the Supplementary Retirement Benefits Act, immediate increases were paid in April, 1970, in all cases where the person in respect of whom the basic pension was paid had ceased to be employed or serve in office before January 1, 1970, provided the former member was disabled, deceased, over age 60 or in receipt of an actuarially reduced annuity prior to age 60. The maximum increase of 42 per cent was paid to those who had ceased to be employed or hold office in 1952 or earlier. The minimum increase of 2 per cent was paid to those who had ceased to serve in 1969. Provision was made for future increases of up to 2 per cent each succeeding January 1, on the basis then provided in the Canada Pension Plan. This act was deliberately worded so that there would not be an automatic change in this 2 per cent ceiling if the Canada Pension Plan ceiling was to be subsequently raised.

The 2 per cent ceiling in the annual increase in the original Supplementary Retirement Benefits Act was the same as the ceiling under the Canada Pension Plan and the Old Age Security Act when indexing was introduced. While that ceiling was accepted initially as a reasonable one to apply, the removal of the same ceiling on the cost of living increases in benefits under the Old Age Security Act and the decision of the Quebec government to raise the ceiling under the Quebec Pension Plan from 2 per cent to 3 per cent effective January 1, 1973, led to many requests in parliament and elsewhere for a removal of the ceiling under the Supplementary Retirement Benefits Act or that it be raised at least to the level of 3 per cent as was provided under the Quebec Pension Plan.

These requests were considered by the government with the result that the Supplementary Retirement Benefits Act was amended with effect from January 1, 1974, to provide for an escalation feature that more closely reflects the real changes in the consumer price index commencing with the change in the period on which the pension increase to be paid in 1973 would normally have been based. In making these amendments, the government recognized the continuance of the principle of maintaining the cost-shared basis of the fund established under this act from which the pension increases are paid and the need to ensure the fund's continuing viability. A contribution rate of one-half of 1 per cent by public service employees and by the government was estimated to be adequate for at least seven years to provide the increases for former public service employees on pension. As I said earlier, in order that the same method of financing could be applied to members of parliament, the Canadian forces and the Royal Canadian Mounted Police, it was found to be necessary to limit the age of commencement of escalation to 60 unless the former member in each category was disabled to the extent of being "incapable of pursuing regularly any substantially gainful occupation." The same limiting provision applied to escalation of benefits generally under all the other plans involved, except in two relatively infrequent instances under the Public Service Superannuation Act and the Royal Canadian Mounted Police Superannuation Act where the pensioner was receiving an actuarially reduced pension payable from age 50 at the earliest. It was agreed that it was equitable to escalate these reduced pensions before age 60 and not to escalate the full pensions of others who had the advantage of drawing those larger pensions, often for many years before the reduced ones became payable.

The fact that members of the Canadian forces and the Royal Canadian Mounted Police could retire on a fully-earned pension before age 50 also put those who do so at a considerable financial advantage over other public service employees who, when the Supplementary Retirement Benefits Act was passed, were unable to retire before age 60 on a fully-earned pension. This was another argument which supported the deferment of escalation of military and Royal Canadian Mounted Police pensions to age 60 in the interests of generally equal treatment of all groups under the Supplementary Retirement Benefits Act. Moreover, many of those who had gone on pension from these forces before age 60 were employed elsewhere. So it was held to be inappropriate to ask present members to pay more for increases in pensions being paid to those under age 60, who were often in receipt of combined income from pension and salary greater than the pay of those present members. Although it was considered, there was no desire at the time to introduce a means test approach to identify those pensioners most needing increases because of lack of other income.

The position of long-service public service employees relative to members of the Canadian forces, however, was improved as a result of the new benefits made available on early retirement under the Public Service Superannuation Act which was amended by part VII of the Government Organization Act of 1970. These provide that a public service employee may retire on a fully-earned pension from ages 55 to 59 if he has 30 or more years of pensionable service or if he is involuntarily retired at those ages after ten or more years of employment in the public service, and the Treasury Board waives the reduction of up to 25 per cent in the pension which would otherwise be made.

It was immediately apparent that because of this earlier commencement of public service pensions and escalation of these benefits under the Public Service Superannuation Act, the other plans required re-examination. As a result, a method whereby the normal escalation age below 60 could be lowered for pensioners under plans other than the Public Service Superannuation Act was sought. Various alternatives for achieving this end were considered, bearing in mind the cost to the government and to the active members of these plans. Accordingly, when the Supplementary Retirement Benefits Act was amended in 1973, it provided for immediate escalation for armed forces or RCMP pensioners who met the following combination of age and service. From thence comes the "Magic 85" formula referred to by the hon. member, 55 years with 30 years of service; 56 with 29 years of service, and so forth, up to an age of 60 with any number of years of service. Immediate escalation for those who were disabled and for those receiving survivor benefits continued.

Mr. Speaker, the question of removing the age and service qualifications for the receipt of escalation payments has been raised in the House on a number of occasions since these provisions came into effect. *Hansard* will indicate that in reply to such questions, answers have been given to the effect that the government could not see its way clear to changing the basis on which the benefits for retired members of the armed forces and the RCMP were escalated. Assurance has been given that consideration would be given to the matter, and I repeat that assurance at this time. Members are aware of the fact that comprehensive studies of pensions have been initiated by the government and are now under way. Firstly, there is a comprehensive review of all aspects of the government's pension policy and the pension situation in the private sector which is being carried out jointly by the Department of National Health and Welfare and the Department of Finance. Secondly, the government has engaged an outside actuarial study of the pension issues of the plans covering its employees. As the President of the Treasury Board (Mr. Andras) has explained in this House, the results of these studies will assist the government in determining what the various alternatives respecting the pension plans will be.

In closing, Mr. Speaker, may I say that although the alternatives suggested by the hon. member appear, on their face, to be acceptable and palatable, I suggest he should perhaps await the studies that are being carried out before recommending that this particular action be taken.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I listened with a great deal of interest to the speech made by the hon. member for Okanagan Boundary (Mr. Whittaker) in introducing the motion before us today. I likewise listened with a great deal of interest to the historical summary just given to us by the hon. member for Essex-Kent (Mr. Daudlin). I am delighted that my friend, the hon. member for Okanagan Boundary, has put himself, by the statements he has made today, on the side of the escalation of pensions; and I take it from the position stated by the hon. member for Essex-Kent that he is on that side as well.

• (1730)

As everyone knows, this is an issue which is of concern to some sections of the community, and it is good to know that spokesmen for the major parties in this House believe that the escalation of pensions after retirement is a justifiable and desirable practice. I feel very strongly that a pension is not a pension unless it is escalated to enable the pensioner at least to keep up with the cost of living. Actually, I think pensions should be escalated to enable pensioners to keep up with the increase in the gross national product or, in effect, the rise in the cost of living.

I listened very carefully to the history outlined by the hon. member for Kent-Essex, and I have no quarrel with it, I am speaking as one who first raised the question of doing something about the pensions of retired civil servants back in 1944, and it was with great pleasure 25 years later that I heard the then president of the treasury board, the hon. member for Westmount (Mr. Drury), announce that that decision in favour of escalation had been reached.

The hon. member across the way is quite correct in saying that originally the age limit of 60 was put into the legislation for those not covered automatically. In other words, since for most public servants 60 was the retirement age, it did not have to be specified for public servants generally, but it did have to be specified for members of the armed forces, RCMP personnel, members of parliament and others. But as time went on, members of the armed forces and of the RCMP felt that because of the nature of their employment, namely, that early retirement is forced on them, it was not fair to delay escalation in their case to age 60. A little later came the instance when public servants were given the right to retire at age 55 and draw full pension and immediate escalation provided that at age 55 they had 30 years service, 56 and 29 and so on, and then, of course, that was given to the members of the armed forces and of the RCMP.

The difficulty, as has been pointed out by the hon. member for Okanagan Boundary, is that the terms of service—the years during which members of the armed forces work—are such that in a great many cases it just is not possible to reach that requirement of 55 years of age or over and 30 years of service. I understand the popular reference to this as an 85 formula. That is hardly its exact meaning because it is no use being 54 years of age and having 31 years of service. You have to be 55 years of age or over to get the escalation at all.

It is also quite correct that this has been dealt with a great deal since escalation was put into effect. The last time it was examined in close detail by members of the House of Commons or by members of a committee was in the latter part of 1956 when we had a bill before what was then a special joint committee of the Senate and the House of Commons on employer-employee relations. On that occasion the officers of the Canadian Forces Long Service Pensioners Association appeared before us, as did the members of the Federal Superannuates National Association, pressing this point, and quite frankly I thought we were going to get a modification of it and

that at least the requirement that those two things add up to 85 would be reduced to 80 or 75 or even 70.

Even though the hon. member for Kent-Essex can argue that there has been some parallelism produced in that the same rule applies to members of the armed forces as applies to senior public servants, it is the old story of one horse and one rabbit, or the rich and poor both having the right to sleep under the bridge. There is such a difference in the terms of employment that it does not turn out to be as equal as the hon. member suggests. Therefore I think what is asked for in this motion should receive favourable and active consideration.

I believe that the members of the Canadian Armed Forces Long Service Pensioners Association are to be complimented on saying that they will settle for something less than they originally requested. Originally their request was that escalation begin the year following retirement, no matter what the age, but they are taking the position now that at least a formula which adds up to something below 85—80, 75 or 70, which was what was discussed when the committee dealt with this in December of 1976—is a responsible and reasonable proposal.

Because we are in private members' hour when time is of the essence, I must not carry on. I saw two or three others wanting to get to their feet. I hope they will all be on the same side and that they will be brief. Escalation of pensions is a good idea, and the thing to do by way of resolving the issue out in the country these days is not to take it away from those who have it but to see that it is extended to everyone, and that being the case I think we should take this step of improving the escalation of the pensions of those in the armed forces and in the RCMP.

I was glad to note the reference several times by the last speaker to the fact that this is a shared cost proposition and that the money which goes into the fund out of which escalation is paid is contributed 50-50 by the employees and the government. I would just like to emphasize that the government in that case is making that payment as an employer, not as the government, which I suggest makes quite a difference.

Sir, I stand, as I have for these many years, a strong supporter of the idea that people in retirement should have their incomes maintained at a level which enables them to keep up with the cost of living, or better still, to keep up with the standard of living, and I think we owe this to those in the RCMP and the Canadian Armed Forces whom we call on to retire early. Therefore, I am in full support of the motion which is now before the House.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, Canadian Armed Forces pensioners are protesting waits of up to 15 years for their first pension payments. Under the current system, forces employees must retire in their forties if they have served 20 to 25 years.

Eligibility for pension payment is decided in the same way as in the public service. Retired persons must wait until their age plus their years of service equal an arbitrarily chosen figure of 85. Canada's 50,000 retired servicemen want that

[Mr. Knowles (Winnipeg North Centre).]

arbitrary figure lowered to 70 so retired personnel can use the retirement fund when it is most needed, soon after leaving the forces. Retired servicemen must often take lower paying jobs after leaving the forces in early middle age, at a time when their children often are about to enter university.

Mr. Frank McNeil, the national director of the Canadian Forces Long Service Pensioners Association, has stated that each year $130 million is paid in forces pensions, that lowering the age of eligibility for pension payments would cost an additional $8 million per year, and that this could be taken from the $210 million earned annually by the fund in interest. It would not cost taxpayers a cent, so I fully and wholeheartedly support the motion moved by the hon. member for Okanagan Boundary (Mr. Whittaker), which is as follows:

That, in the opinion of this House, the government should consider the advisability of amending the Supplementary Retirement Benefits Act to provide for the reduction of the "Magic 85" formula to 70 and the indexing of the new formula to the cost of living.

I suggest that we close the debate at this time, let this motion be considered by the government, and that the government take immediate action to change the formula from 85 to 70.

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I welcome the opportunity to speak for a few minutes on this motion. I want to congratulate the hon. member for Okanagan Boundary (Mr. Whittaker) for bringing it forward.

I represent a large number of military people, many of whom have reached pensionable age and some of whom have been retired for varying lengths of time. Some have made representations to me on the very point the hon. member opposite raises. I would guess that most members of the House are supportive of doing this when it can be afforded and at the time that the survey which is under way is in and analyzed. Certainly my first step was to try to understand the rather complex question of pensions as they apply to employees of the Department of National Defence as well as to public servants. The pensions are calculated on a quite complex formula. I spent some time reviewing the situation and I should like to offer a few comments on it.

● (1740)

As a general rule when I speak in the House I use only limited notes, but in this case, like the hon. member who proposed the motion, I should like to follow my notes very carefully. Even after investigating this quite thoroughly I find it a rather complex subject which requires a great deal of attention to detail.

My colleague, the hon. member for Kent-Essex (Mr. Daudlin), has gone over the background of the present indexing arrangements very extensively and has outlined the format for members of the Canadian forces and the Royal Canadian Mounted Police, that is, the so-called "85 formula". The formula is now calculated with reference to the consumer price index.

I should like to reiterate that the pensions of former public servants, many members of the armed forces and the RCMP, as well as of persons covered under the numerous other pension schemes are and have been fully escalated to the cost of living since January 1974, pursuant to the Supplementary Retirement Benefits Act as amended in 1973.

Perhaps, it would be helpful to give some detail on the method of determining escalation applied to the pensions of the people I have just mentioned, as of January 1 each year. The method is almost identical to that which is applied under the Canada Pension Plan.

In order to understand fully how the pension indexing under the Supplementary Retirement Benefits Act works, it is first necessary to appreciate the meaning of the terms "benefit index" and "pension index". Briefly, the benefit index for a given year, as I understand it, is determined by multiplying the benefit index for the preceding year by the ratio of the pension index for that given year to the pension index of the preceding year. For example, the formula is:

$$\text{Benefit Index for 1977} = \text{Benefit Index 1976} \times \frac{\text{Pension Index 1977}}{\text{Pension Index 1976}}$$

The pension index for a given year is equal to the average of the consumer price index over the period from October to September of the previous year. For example, the pension index for 1977 equals the average of the consumer price index from October, 1975, to September, 1976.

The total increase paid over and above an individual's basic pension in a given year is determined by the ratio of the benefit index for that year to the benefit index for his/her year of retirement. For example, the increase payable in 1977 to a person retired in 1972 equals the basic pension multiplied by the benefit index for 1977 divided by the benefit index for 1972.

When the Supplementary Retirement Benefits Act was introduced in 1970, the benefit index was set at 100 for that year and the benefit indices for previous years back to 1952 were determined accordingly. At that time the benefit indices for subsequent years could not be more than 2 per cent greater than the benefit index of the previous year. However, effective January, 1974, this ceiling was removed. The benefit indices for the years 1971, 1972 and 1973 were re-calculated to take this change into account, so that in 1974 persons who retired in 1973 or earlier received a pension increase in line with the rise in the consumer price index since their year of retirement.

The benefit index for 1977 is, I understand, 158.02, so that, for example, in 1977, a person who retired in 1970 when the benefit index was 100, would receive an increase of 58 per cent.

In the fashion I have outlined above, then pensions payable under legislation to which the Supplementary Retirement Benefits Act applies are already escalated to equal the increase in the cost of living. The motion under discussion would therefore only have the effect of applying full indexing of the pensions of former members of the armed forces, Royal Canadian Mounted Police and, in fact, members of parliament, at an earlier date.

Mr. Knowles (Winnipeg North Centre): That is the issue; that is what the motion is about.

Mr. Milne: That is exactly what I said. For example, an individual who retires from the armed forces at age 45 with 25 years service, presently must wait until age 60 to receive pension escalation, although at age 60 the increase paid takes into account all of the increases granted since his/her year of retirement. I think that is a rather important point which was not emphasized in the comments of either of the two members of the opposition who spoke. Under the proposal before us, the pension increases would be payable in January of the year immediately following retirement.

I do not propose to go over all of the arguments pro and con that have been raised in connection with this issue, or indeed many that I have researched myself. I would, however, like to speak about the financial implications of an extension of the pension increases payable under the present legislation.

One needs only to look at the annual reports on the administration of the Supplementary Retirement Benefits Act since 1970 to see that the amounts involved in paying for full pension escalation are sizeable. For example, in the three fiscal years since full indexing was introduced, the pension increases payable under the act have been as follows: 1974-75=$58,878,000; 1975-76=$90,768,000; 1976-77=$131,000,000 approximately.

I am sure other members of the House have had representations from many constituents and organizations about the level of government spending. While we all support this motion I do not think the financial implications can be totally overlooked when related to government expenditure of that magnitude.

Although I do not have any over-all estimates of the cost implications of the proposal before us at this time, I can present a single example of the cost involved in this motion. Let us take the case of the 45-year old serviceman with 25 years' service who retires on a $7,000 pension. If we assume a 5 per cent rate of inflation between his year of retirement and the year he reaches age 60, the granting of a full indexing immediately would mean additional payments between ages 45 and 60 of about $46,000, or 6.57 times the basic pension.

As illustrated then, the potential cost of instituting the proposed change would be significant. A further indication of the cost of pension escalation can readily be seen if one refers to the last page of the "Basic Facts" paper tabled by the President of the Treasury Board (Mr. Andras) on October 18, 1976. That page outlines the projected cost of the public service plan, and it can be seen that based on certain economic assumptions the cost of pension escalation will eventually equal the cost of the basic plan itself.

In drawing these points to the attention of the House I would not want it to be construed that I think most members do not support the intent of the motion, but I think it is fair to ask that we look at the cost as well. I am sure all members

agree that the whole question of pensions has become an issue in the past year. Many people write to us with a point of view that is perhaps not based totally on fact regarding public service pensions and pensions for members of the armed forces.

● (1750)

The hon. member for Winnipeg North Centre (Mr. Knowles) made a valid point when he said we should consider this subject objectively. He suggested that before anyone says that current pension benefits should be reduced we should review pension benefits made available to the public service and armed services. Indeed most people from my riding who have written to me about the cost of indexing seem worried about the open ended nature of these commitments. They fear that future costs may be so high as to create financial difficulties for the federal treasury, and pension benefits could be much higher than those the private sector could provide. Surely there should be some relationship between pension plans which can and should be provided by the private sector and the public sector.

The coupling of indexing with the early retirement provisions of the public service plan, not to mention the even earlier retirement provisions of the armed forces and Royal Canadian Mounted Police plans, has led to widespread criticism being levelled against the pension plans of federal employees, to the effect that "fat" and "exorbitant" pensions generally place those employees in a privileged position relative to other Canadians, at the expense of taxpayers. I was glad to see that in response to these criticisms the President of the Treasury Board prepared certain information.

I was one of the members who asked the minister to compile certain factual information on pension plans and made it available to all members of parliament so that we could render some mature judgment on the validity of the charges which had been made, instead of agreeing or disagreeing without information to temper our judgment.

I think the paper "Basic Facts" concerning pension plans helped to set the record straight. Though that paper was tabled, the debate on the question of pensions has continued and various groups in the community have levelled charges and made counter charges. As the paper pointed out, federal public servants have made consistently high employee contributions over the years. I think hon. members ought to remember this and comment on it more often. The plan was begun many years ago and the paper emphasized the actuarial soundness of the plan. That document also commented on a number of developments which would give the government the opportunity to reassess public service pension plan benefits and financial provisions in the near future. While referring specifically to the pension plan for public servants, needless to say any reassessment would also involve the pension plan for members of the armed forces and the Royal Canadian Mounted Police.

The first development concerns the current work in progress within the Treasury Board secretariat to establish a comprehensive framework within which the total compensation paid to federal employees can be measured with greater accuracy and related more systematically to total compensation rates in other sectors of the economy. This is important. I certainly do not support the argument that public servants should be paid less than their counterparts in the private sector. Surely the same responsibilities should be rewarded with the same pay, no matter if the work is done in the public or private sector. The new framework is designed to facilitate Treasury Board's continuing efforts to ensure that all elements of compensation for federal employees, including pension entitlement, are maintained in an equitable relationship with compensation levels in comparable areas of the private and public sectors.

A second development will be the next actuarial valuations of the public service, armed forces and Mounted Police pension plans scheduled to be conducted over the next two years. These valuations will assess, among other things, the financial impact on pension accounts and the implications for the future of the recent experience of high inflation. This is a key point, because our high inflation rates have made people concerned about the indexing cost of pensions. They would also provide the government with reliable information on which to base a reconsideration of any aspects of its pension policies for its employees which may be required. Indeed, I hope we shall have an opportunity to debate these questions in the House and to make representations to the governement on this issue which is of interest to many Canadians.

A third development concerns the government's general study of the pension situation of all Canadians. As reported last fall by the Minister of National Health and Welfare (Mr. Lalonde) and the Minister of Finance (Mr. Macdonald), officials of the Departments of National Health and Welfare, Finance and Insurance, with the co-operation of interested federal departments and agencies, including the Treasury Board secretariat, have been laying the technical groundwork for this study by carrying out basic research, studying and analysing statistical and other information, and assembling the suggestions and comments of interested individuals and organizations. The review, I understand, will include comparisons of the features of retirement plans in the private and public sectors.

As the President of the Treasury Board mentioned, the government is well aware that pension policy for the public service cannot be considered in isolation from the pension situation of other Canadians, or without reference to the needs and capacities of other sectors of the economy. I think the hon. member for Winnipeg North Centre raised a good point when he said that the result of this may be a review of where the private sector stands in providing adequate pensions to its employees. That question may be even more important than the analysis of pensions in the public sector.

A further major development was the announcement on March 14 this year by the President of the Treasury Board in an address to the Canadian Pension Conference, a reading of which I commend to hon. members, of the appointment of an outside consulting firm to conduct an independent study of the

public service pension program. In announcing the study the minister mentioned a number of questions about pensions which had been brought to his attention. They were: what are the net costs associated with indexing pensions to the cost of living? Do they vary between the federal public sector and the private sector and, if so, why? Second, what roles have interest earnings and other pension investment returns played in the financing of pensions in the public and private sectors? Do these roles vary and, if so, why; and what are the implications of these variations?

Mr. Paproski: Question.

Mr. Milne: Mr. Speaker, surely members of parliament are entitled to use all their time to make their remarks, if they so choose. Outside professionals are saying more frequently that indexing costs are influenced less by inflation rates than by inflation-interest-wage differentials. Is this a valid conclusion and, if so, what differentials are likely to prevail in the years ahead?

In conclusion, though I support the motion, I do not think we should act on it until the studies I mentioned have been completed.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, on two grounds. First, his time has expired. Second, the hour appointed for the consideration of private members' business has expired.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point order. As I recall, we were six minutes late in getting started.

An hon. Member: Seven minutes.

Mr. Baker (Grenville-Carleton): The point of order raised by the government House leader are into the time available for private members' hour, reducing it by either six or seven minutes. Perhaps Your Honour could take this lost time into consideration.

Mr. Deputy Speaker: Order, please. The Chair recalls the remarks of the hon. member for Okanagan Boundary (Mr. Whittaker) and also the point of order which took seven or eight minutes to consider. I agree that it was raised after the beginning of private members' hour and therefore took up part of the time allotted for the consideration of private members' business. But hon. members know that the point was raised after the announcement of the beginning of private members' hour.

If the point of order had been raised before the Chair announced the beginning of private members' hour, I do not know what the Chair's decision would be. Perhaps on another occasion such a point of order will be raised before the beginning of private members' hour. Of course points of order may be raised at anytime during private members' hour, and their consideration takes up some of the time available for private members' business. We have to consider points of order as they arise. This particular point of order was raised after the hour started.

• (1800)

Standing Order 15 provides for a one-hour period for the consideration of private members' business.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

SUPPLY AND SERVICES—REASON FOR FAILURE OF DEPARTMENT TO MAKE A FAIR PERCENTAGE OF PURCHASES IN ATLANTIC REGION

Mr. David MacDonald (Egmont): Mr. Speaker, I want to return to the matter I raised on May 26 with the Minister of Supply and Services (Mr. Goyer). As I understand it, the minister is out of the country at the moment. I believe he is in Africa. That will give him time to reflect on the answer he gave the other day. I regard this a very serious matter, as I am sure whoever will be responding for the government also does.

It came to my attention a couple of weeks ago that, along with other aspects of federal policy which may be continuing or exacerbating regional disparity, particularly in the Atlantic region, the purchasing or procurement policies of the Department of Supply and Services seemed to have particular significance. I raise this because recently we received figures on two aspects of the Department of Supply and Services, their procurement policy with respect to science and engineering, and with regard to commercial supply.

With regard to commercial supply in 1976-1977, the year that has just concluded, there was a purchasing power of 6.3 per cent from a total budget of $1,009,486,000. This 6.3 per cent represented purchases made in the Atlantic region. That was a reduction from 7.9 per cent in the previous year, 1975-76, both in terms of over-all expenditures and absolute reduction $66,584,000 to something like $64,227,000 in 1976-77. That is a serious decline from 7.9 per cent to 6.3 per cent when you realize that the population in the Atlantic provinces is roughly 9.5 per cent of the national population.

When you look at the other area, that of science and engineering, the total is much larger, $1,862,722,000. We discover there is a shocking situation. There has been a decline because of the increase in the budget in that area in proportionate terms from 4.1 per cent in 1975-76 to 2 per cent in 1976-77, and an absolute decline from $41,305,000 to $37,563,000.

When you look at the fact that only 2 per cent of purchasing under science and engineering is directed to the Atlantic

provinces you realize that we are in a very serious situation. On a proportionate basis the Atlantic provinces are not receiving their fair share of federal contracts through the Department of Supply and Services.

More important, the direction with respect to purchasing seems to be creating greater hardship and reducing, both on an absolute basis and in absolute terms, the amount of money expended in the Atlantic provinces, this at a time when we have the highest unemployment ever in the Atlantic provinces. I was shocked by this revelation. Added to that shock was the answer I received from the Minister of Supply and Services. He said that his department was not responsible for the industrial base within the various regions of our country. Further, in response to my colleague, the hon. member for Kootenay West (Mr. Brisco), the minister said that "it was a matter of not indulging in discriminatory policies towards any area, but rather to help businessmen in remote areas of the country to do business with us".

It seems that the minister is virtually unaware both of the impact of his department's billion dollar expenditures in terms of exacerbating the problems of regional economies across the country and, equally serious, he is not aware of even the Prime Minister's own dictum and instruction, because in reply to a supplementary from me the Prime Minister (Mr. Trudeau) said he could assure me that it was made a matter of policy some years ago that, so far as possible, the department would ensure that regional considerations and the concern for greater equalization were taken into account in the purchasing done by the department.

Where is the recognition on the part of the minister? I know he has difficulty sometimes facing up to reality. He admitted as much in his terse note before he left the country in regard to another incident which I will not refer to in this question period. If the Prime Minister has issued to the minister—indeed, to all members of the cabinet—the instruction that he has a basic responsibility with respect to the impact on regional economies of a department which enters into billions of dollars worth of contracts, why does he say his department is not responsible, that this policy does not take any cognizance whatever of regional variations in the country? In fact he says it is not a matter of indulging in discriminatory policies.

Would the minister suggest that the recent innovation by the Minister of Finance (Mr. Macdonald) in his latest budget in regard to the variable tax rate, which rises to 10 per cent for the Atlantic provinces, is a form of this regional discrimination in which the government should not engage? Would he suggest with respect to the attempt to vary freight rates across the country in order to make various producers equally competitive that this is a form of discrimination in which the government should not engage? Would he suggest that the millions of dollars worth of tariffs which have been imposed over the years is a form of discrimination which should not be pursued?

Quite frankly, Mr. Speaker, I think all members of the House recognize the fact that the federal government has a responsibility to ensure, as much as possible, that it takes overt and effective action to offset the various regional problems which we in this country face. For the minister to accept no responsibility and to ignore the declining interest in this department—in fact an overt attack on a regional economy such as that in the Atlantic provinces—through a declining budget commitment, is simply unacceptable. I hope that the minister or his parliamentary secretary will give us some effective answer and some redress on this matter.

[Mr. MacDonald (Egmont).]

Mr. Mike Landers (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I should like to respond to questions posed on May 26 by the hon. members for Egmont (Mr. MacDonald) and Kootenay West (Mr. Brisco) concerning the distribution of DSS contracts in Atlantic and western Canada.

First, I would like to point out that it is not the government's policy to allocate contracts for federal government requirements on the basis of the distribution of the Canadian population. Such a policy would be neither reasonable nor practical, as it is based on the assumption that the structure of economic activity is the same throughout the country. Our aim, as indicated by the Minister of Supply and Services (Mr. Goyer) on May 26, is to ensure that all Canadian businessmen who wish to do so have an equal opportunity to compete for federal government contracts. The minister has already described the work being done to inform suppliers of how to do business with government in order to increase the volume of contracts going into the industrial base in both the Atlantic and Pacific regions.

Within the government's over-all policy of competitive bidding, it is DSS's policy to employ a regional preference policy for local requirements where possible and practical. That is to say, we purchase federal government needs for goods from sources of supply close to the point of use when reasonable competition can be obtained among local suppliers. This policy, plus the general practice of acquiring goods and services on a competitive basis, has resulted in a considerable number of contracts being placed in Atlantic and western Canada. In fact our analysis shows that the federal government buys substantially more in Atlantic and western Canada than it consumes in those areas.

The hon. member has noted a sharp decline year over year in certain of our regional statistics. He will understand that a substantial part of our business relates to the acquisition of large value capital equipment which is bought infrequently. Consequently the value of business placed can fluctuate widely from one year to the next. A case in point would be the "R" class icebreaker which was contracted for in British Columbia last year. This one contract amounted to $108 million. Naturally the annual contracting values will decrease significantly in the year following such an acquisition.

• (1810)

I am sure hon. members will recognize that the total benefits accruing to any given region are not reflected in DSS's own contracting statistics. For example, the foreign prime contractors for large equipment purchases for the Department of National Defence are required to place business in Canada, as a result of contract conditions negotiated by DSS. Two

contracts were recently placed as a result of such arrangements with firms in Amherst and Dartmouth, Nova Scotia, for requirements potentially totalling $13.5 million.

We share hon. members' concern about increasing the amount of contracting done in Atlantic and western Canada. We intend to continue to work to increase this level of business, while continuing to recognize our over-all responsibility to spend the taxpayers' money in a judicious, fair, and reasonable manner. Members must, however, realize, as we now do, the real constraints we face in achieving this objective. The Department of Supply and Services buys a large amount of goods and related services. However, the economies of the west and the Atlantic region do not always produce the type of goods we are asked to buy. In a few cases we may be able to integrate our purchasing with the industrial development plans of the regions. In most cases, however, we will have to continue to rely on existing facilities to meet our needs.

ADMINISTRATION OF JUSTICE—REASON FOR FAILURE TO PURSUE CASE AGAINST JOHN DOYLE UNDER INCOME TAX ACT

Mr. John C. Crosbie (St. John's West): Mr. Speaker, on May 4 I asked the Minister of Justice (Mr. Basford) a question about a case of gross negligence, wanton and wilful misconduct in the administration of the laws of this country, which had to do with the Department of National Revenue. It was a situation where a taxpayer, one John C. Doyle, was re-assessed for taxes in 1950 and 1954. It was 27 years ago in one case, and 24 years ago in the other. They were eventually brought before the Income Tax Appeal Board and were lost there. They were appealled to the Exchequer Court of Canada and lost there in 1970. There was another appeal entered in October, 1970, and these two cases are still unheard as I speak in this Chamber now.

On February 8 I tabled a question here about the same matter, and it is still unanswered. I wrote the Minister of National Revenue (Miss Bégin) and the Minister of Justice on March 23, and I got no response from them. I finally spoke in the House on this matter on April 21. On April 22, I wrote to both ministers and sent them a copy of my speech. I still have had no response from them. I asked the question again on May 4 in the House, and I spoke on May 5 in the House concerning this.

The Minister of Justice has made some extraordinary excuses. In answer to my question on May 4 he said that these appeals were proceeding at a pace the rules of the court allowed, and seemed to suggest that it was somehow the fault of the Supreme Court of Canada that this matter had not been concluded; whereas it is the negligence of the Department of Justice and the Department of National Revenue which permitted this thing to drag on as it has.

In the debate on the Judges Act on May 5, the Minister of Justice suggested that I should accept his statements, that there was no negligence on the part of the minister or his officials in this 27 year fiasco. Having said that once, he expected me to accept his statement instead of challenging it. That is a new principle of parliamentary immunity, Mr. Speaker, that if a minister says there has been no negligence on the part of a minister or any of his officials, that must be accepted and no one dare challenge that statement. Of course that is quite untrue.

If the minister says he is now instructing his officials to proceed with all deliberate speed and haste to have the appeals heard, I would accept his word; but when he says there has been no negligence, I do not accept that statement. In my opinion there has been gross negligence and misconduct in this matter for the last 27 years. How could appeals involving millions of dollars in public funds be left to lie fallow for several years without any action by the department, not to mention the fact that the department consented when the appellant asked for the matter to be postponed last year?

I have still no answer to my question of February 8, although the minister wrote me on May 13, gave me the information and said it would soon be tabled. It has not been tabled as yet. I do not know what is happening. I do not know whether someone is preventing this information from being tabled.

Mr. Landers: On a point of order, I believe the answer was tabled today, according to my information.

Mr. Crosbie: Even if the answer was tabled today, it certainly took a long time to have it tabled. I am glad it has been tabled. If it was tabled today, I say "hear, hear". I have received no copy of it as yet.

It is agreed by the Crown that on these judgments there was owing in interest and taxes as of December 31, 1976, $3,483,-412. The Crown states that it has attached 1,009,562 shares of John C. Doyle in Canadian Javelin Ltd. on the books of the transfer agents, and that it did this some years ago. In the intervening period these shares have declined in value to $1.50, if they are worth anything. Thus the Crown is not adequately secured, if indeed this attachment has any validity.

On July 8, 1963, a writ of extent was issued on Canadian Javelin Ltd., directing them not to pay over any moneys to John C. Doyle which were allegedly owed by Canadian Javelin, Ltd. We know that for ten years Canadian Javelin Limited was allowed to ignore that writ of extent and that, by their own admission, they paid out $525,065 to John C. Doyle in complete disregard of that writ of extent, and the Crown did nothing about this.

We know further that Mr. Doyle set up a company in Nassau called Javelin Export Limited, a Nassau company, and that this company contracted with Canadian Javelin for his services, and that in 1974, by the company's admission, $100,-600 was paid to Javelin Export which paid it to Doyle, and that in 1975 $118,750 was paid by Canadian Javelin to Javelin Export who paid it to Doyle in defiance of the writ of extent. The Crown has done nothing about this, either. Everywhere you look, it is negligence.

We know that John Doyle has been a fugitive from justice in the United States since 1965. We know he was allowed to

leave Canada about two years ago. He is in Panama now, and it is unlikely he will be back here because there are a number of criminal charges to be faced if he returns, both in connection with fraud in Newfoundland and in connection with "wash trading" in Canada—over 400 charges.

The government knows all about this and about what has been going on in connection with these companies for years, yet it has taken no action to prevent him voting the shares it says it has attached. If it has attached these shares, how is it that Mr. Doyle has been allowed to vote them at meetings of Javelin and retain control of the company through his 18.4 per cent interest? There is more here, Mr. Speaker, than meets the eye, much more. I have never heard of any such tender treatment given to a taxpayer in Canada before. The ordinary law-abiding taxpayers do not get this kind of treatment.

One of my own acquaintances, at this very moment in British Columbia, is being harassed and dragooned for $23,000 by the Department of National Revenue, the officials of which say he cannot enter an appeal until he first pays them the cash they say he owes. Yet a man with the reputation of John C. Doyle, owing sums of this magnitude, has been allowed to go year after year without putting up adequate security, without paying his taxes, without paying interest, and was allowed to leave the country with his debt not properly secured. Before we are finished, Mr. Speaker, we shall discover this is the grossest maladministration of the revenue law.

I must say this for the present Minister of Justice. He has given me some information and some co-operation. From the Minister of National Revenue I have received no co-operation. I wrote asking her what cases from her department were pending before the Supreme Court. She did not give me the information I was seeking. There are ten cases pending. I want to know from what years they date. This is an unsatisfactory state of affairs. The taxpayers of Canada demand equal, impartial treatment, and the proper administration of the law. I want to see those appeals brought before the court and heard. I want to see these irregularities corrected, and I am calling upon the minister to do this.

Mr. Mike Landers (Parliamentary Secretary to Minister of Justice): Mr. Speaker, in his question the hon. member for St. John's West (Mr. Crosbie) asked the Minister of Justice (Mr. Basford) what action he and his colleagues were taking to collect millions of dollars of income tax interest for the taxation years 1950 and 1954 owing by one John C. Doyle, and whether there had been an appeal pending before the Supreme Court of Canada for the last seven years without any action being taken by the government to pursue it.

With regard to the first part of the question, 1,009,526 shares of Canadian Javelin Limited have been attached by way of a seizure on the books of the transfer agents. In addition, a writ of extent was issued out of the Exchequer Court on July 8, 1963, for the sum of $3,410,130.90. Some other action has been taken and other measures are contemplated, but they are of a confidential nature.

[Mr. Crosbie.]

• (1820)

With regard to the second part of his question, I must state that there are two appeals pending before the Supreme Court of Canada since 1970 which have not been heard. One of the appeals was inscribed for the winter session of the Supreme Court of Canada, but an application was made and agreed to by the Department of National Revenue and the Department of Justice for the removal of this case from the winter session provided that it be reinscribed again for the spring session of the Supreme Court of Canada. This case was accordingly reinscribed for the spring session in the Supreme Court of Canada and, because of its place in the Supreme Court of Canada list, this appeal will likely be heard in October, 1977.

The second appeal involves a complex procedural question as to whether this appeal can be heard by the Supreme Court prior to another case respecting the same assessment being dealt with by the Federal Court. Both the appeal before the Supreme Court and the case before the Federal Court will be dealt with as quickly as possible.

COMMONWEALTH GAMES—GOVERNMENT ACTION TO AVOID AFRICAN BOYCOTT

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, for many months I have been urging the government to take every step possible to ensure the success of the Commonwealth Games in Edmonton in 1978. We are all worried about national unity today. I can tell you what would be a magnificent boost for unity—both in Canada and the Commonwealth—and that would be the complete participation by every Commonwealth nation. In other words, no African boycott.

The fact that the possibility of an African boycott is on the agenda of the Commonwealth conference next week is proof that the Canadian government has so far failed to resolve this matter. And the government has failed because it has not exerted enough muscle. It has been too timid. It has not been tough enough with either New Zealand or the African states.

As you know, Mr. Speaker, the problem revolves around New Zealand's sporting links with South Africa. In the view of the black African states it is not good enough for New Zealand to have severed official sporting links with South Africa because of its apartheid policies. The black states want New Zealand to ban teams even from unofficial sports contests in South Africa.

For its part, New Zealand's Prime Minister, Mr. Muldoon, said recently that the Commonwealth Games are "not sufficiently important" for New Zealand to stop its teams. That was when the Canadian government should have made it abundantly clear that it would not tolerate such a cavalier attitude by a sister country. The games are an essential instrument in the development of relations between every member of the Commonwealth. The government took this snubbing by New Zealand because it did not have the courage to fight for our rights. It relied on the customary mode of quiet diplomacy when it should have acted to urge New Zealand to wake up.

Similarly what is the Canadian government doing to put some pressure on the African nations? What right do they have to penalize Canada because of the obfuscations of New Zealand? Canada's record on race relations is one we can be and are proud of. This country has helped black African nations politically and economically to attain their independence and maturity.

And speaking of economic help, how can the African states call for Canada's help in improving the health of developing nations through such instruments as the just-concluded North-South Conference in Paris if, at the same time, they hurt us economically?

It is time the African nations also woke up and realized that we live in an interdependent world. Pulling out of the 1978 games and hurting Canada is not a very good way to develop public opinion in Canada concerning the needs of the developing countries.

So, Mr. Speaker, there are a lot of hard-headed attitudes at the root of the Commonwealth Games problem. And the Canadian government has taken too soft a stand.

Edmonton has done a superlative job in preparing the facilities, which are acknowledged to be the finest ever built for the Commonwealth Games. Good management by the Edmonton organizers has kept the planning on budget and ahead of schedule.

The total cost of this great effort is under $50 million, including capital and operating costs, a truly remarkable achievement when we consider $1.416 billion spent on the 1976 Montreal Olympics. We are preparing for 24,000 visitors from around the world who will be in Edmonton for each of the ten days, August 3-12, 1978. They will all receive a royal welcome. The members of the news media will total more than 1,300.

All of this is more than just a great community effort of 3,000 volunteers brought together by a great Edmonton team headed by Dr. Maury Van Vliet. It is a vital national event, and it cannot be allowed to fail or be crippled by an African boycott.

I want a response from the government tonight that will tell me more than just the amount of federal money contributed. I want to know how a boycott can be avoided, since efforts have so far failed. The Commonwealth conference appears to be the last hope. If that conference is not successful, Canada ought to bring the issue to the United Nations, for the issue is not the politics of sports; the issue is the development of good relations in a global community. That is an issue for all nations and all colours of people, and Canada can no longer remain silent.

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the question which the hon. member has raised is a very difficult one which has concerned the government for many months. The government is committed to the success of the Commonwealth Games in Edmonton, both as a sporting event and as a symbol of what the Commonwealth means as a harmonious association of peoples. We are, therefore, concerned that there be representation from all parts of the Commonwealth; indeed we are concerned that lack of such representation would be a severe blow to the fabric of the Commonwealth.

We have been working closely with the Secretary General of the Commonwealth and with other Commonwealth countries to bring about a successful resolution of the points at issue between New Zealand and the African members of the Commonwealth. We believe there is a good chance that the issue can be settled at the heads of government meeting in London, and we are working to set the stage for a constructive discussion of the issue at that time. We believe that it is possible for a compromise to be achieved on the basis of the opposition of all Commonwealth members to the system of apartheid.

What we envisage is a statement by all heads of government reaffirming their opposition to the practice of apartheid in sport and to contacts with South Africa by Commonwealth sports bodies and individuals. The Secretary General has been charged with finding a suitable formula for discussion, and the exact content of the statement will no doubt be a matter for debate among heads of government.

[*Translation*]

Mr. Speaker, I understand of course that the hon. member is interested in this problem since he comes from a constituency in Edmonton, but he should understand that in three minutes it is impossible to give the answers to all the points that this very complex problem might raise and I am sorry not to be able to give him a more complete answer, but the discussions are still going on and it would be presumptuous to give more complete answers at this moment.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been withdrawn.

Motion withdrawn.

Mr. Deputy Speaker: I do now leave the chair until eight o'clock.

At 6.30 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

FISHING AND RECREATIONAL HARBOURS ACT

MEASURE TO PROVIDE FOR ADMINISTRATION AND DEVELOPMENT OF CERTAIN HARBOURS

The House resumed consideration of the motion of Mr. LeBlanc (Westmorland-Kent) that Bill C-7, respecting the administration and development of certain fishing and recrea-

tional harbours in Canada, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I earlier mentioned my concern about wharfage. In the interim I have had an opportunity to look into the subject a little deeper, and there are some matters I should like to put on the record.

The first is an exchange between myself and the Minister of Fisheries and the Environment (Mr. LeBlanc) which took place at the Standing Committee on Fisheries and Forestry on May 30, 1975, when I put the following question:

. . . let us resolve this wharfage business. Let us wipe it out and start over . . .

And the minister replied:

I will say amen to that.

Every member present at that committee meeting was under the impression that the minister had given his approval to the principle of eliminating wharfage as a fee against fishermen and other boat owners.

On May 27, 1975, a group of fishermen from the Fundy coast of New Brunswick appeared before the committee and the subject of wharfage came up again. I questioned Mr. Andrew Matthews, who was appearing for the second time, as follows:

MR. MCCAIN: When you were here before the subject of wharfage was brought up. Has this problem been corrected for you?

MR. A. MATTHEWS: No, it has not. People are still getting wharfage bills and summonses. There are some fees and they will not give them foreign clearance.

MR. MCCAIN: What is your principal complaint about this wharfage?

MR. A. MATTHEWS: I cannot see that it is any good. It is this way: we will go into the wharf and tie up. I have a 42 foot boat and my neighbour has a 40 foot boat. I will have to pay wharfage and he will go scot-free but we are both taking up the same space at the wharf. If it is compulsory for one man to pay wharfage, regardless of the size of his boat it should be compulsory for everyone.

The subject was also raised in committee on March 13, 1975, by the hon. member for Comox-Alberni (Mr. Anderson), when he put the following question:

I have a second question, Mr. Chairman. Has your department made any investigation into the charging of fees for the use of federal small-craft harbours when there is no wharfman on duty due to the size of the wharf?

THE CHAIRMAN: Mr. Reid, that is yours.

MR. REID: Mr. Chairman, in the new act which we hope to introduce very shortly, we have examined this whole area of user charges and the wharfinger system. We hope to be able to introduce a system of fees whereby a fisherman, or even the recreational boating public using federal facilities, will pay one fee a year which will give them the opportunity to dock at federal government facilities, so that it will no longer be the duty of the wharfinger to collect the fees from people as they are docking at federal government facilities.

Perhaps it would be wrong of me to ask if the Minister of Fisheries has any idea of the number of boats that go in and out of certain of those small craft facilities in a day, or a week, or even a season.

● (2010)

Is the government prepared to pay to the person responsible for collecting wharfage a proper amount of money, and so induce him to exercise surveillance over the port or harbour throughout the year, in order to assure its equitable use? Or, is it the government's policy to continue the patronage system, of appointing friends to collect money from those from whom they wish to collect? I raise one more question.

The question I placed on the order paper on November 17 asked if there is a standard wharfage structure in eastern Canada. I was always under the impression eastern Canada included the five eastern provinces, in all of which there are opportunities for fishing and fish industries. If there is a wharfage structure in the province of Quebec, it is not listed in the answer. If fees were collected, they were not listed. If there is a charge system in the Quebec area of eastern Canada, that is not listed. I presume all this may be due to an oversight. But if it was not an oversight, I want the government to explain why my question was not answered adequately.

In the main, the present wharfage system is obnoxious and improperly managed. I see no indication in this bill that this will change. Apparently it will be perpetuated. That will be a perpetuation of wrong-doing.

Virtually the longest clause of Bill C-7 deals with the government's regulation making powers. It permits the government to make regulations with respect to the classification of harbours, payment of wharfage fees, penalties, and pollution. Subparagraph (d) of Clause 9 says that the Governor in Council may make regulations "not inconsistent with any other act of parliament or regulations made thereunder, for the control of pollution at any scheduled harbour."

There are already three acts in place on the statute books concerning small harbour facilities. Now a fourth statute is to be added. That this bill does not specify more clearly the minister's responsibility concerning non-fishing boats, pleasure craft and other boats is improper. It gives the harbour authorities no authority to reserve particular fishing facility for fishing boats. It will not resolve fishermen's complaints that pleasure craft using a harbour interfere with the fishermen's use of the harbour.

The Acting Speaker (Mr. Ethier): Order please. I regret to interrupt the hon. member but must inform him that his allotted time has expired. He may continue if he has unanimous consent. Has the hon. member unanimous consent to continue?

Some hon. Members: Agreed.

Mr. McCain: Mr. Speaker, I shall be brief. I appreciate the generosity of hon. members. It is imperative to maintain small pleasure craft harbours along the coast. It is also imperative for the government to consider the tourist oriented potential of these harbours, a potential relating to the arrival and departure of small boats. Consequently proper facilities should be provided.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I am pleased to rise this evening to discuss Bill C-7 respecting the administration and development of certain fishing and recreational harbours in Canada. I do not intend to linger on that legislation, except to say that it is somewhat late this year. Indeed, it

will no doubt be difficult if not impossible to benefit from this legislation this year, because the summer season has already begun. In spite of that fact, I must say that the Minister of Fisheries and the Environment (Mr. LeBlanc) will give rise to many hopes with that bill, since it will enable individuals and corporations to take advantage of the financial and technical assistance of the department.

In my constituency, Marina régionale de Rimouski Inc. have been trying for several years to obtain assistance to build a marina in the port of Rimouski on a location recognized as being propitious to such an operation while not hindering any traffic of heavy tonnage. Environment Canada did receive a report from that organization requesting financial assistance to carry out its project. It now has 90 members waiting for the assistance of the federal department in this project.

Rimouski has a strategic position: it is located on the south shore of the St. Lawrence, 180 miles east of Quebec City and 345 miles northeast of Montreal. The average width of the river within the quadrilateral formed by Rivière-du-Loup and Matane on the south shore and Godbout and Tadoussac on the north shore, of which Rimouski is the centre on the south shore, is about 30 to 40 miles. With the variety of services it provides, Rimouski could easily become the main centre for sailing and recreational activities in the eastern part of Quebec, an important halt for tourists coming from the Saguenay area, Quebec City, Montreal, the Richelieu Valley and the United States, and an open gate on ocean navigation for travellers heading for the Gaspé Peninsula, Anticosti Island and the Magdalen Islands. Rimouski is proud of the stretch of water it offers and conscious of its exceptional position as we can see by the number of boat owners, maritime and nautical sport clubs as well as the number of oceanologic institutions it harbours.

● (2020)

Mr. Speaker, I would like to point out in passing all the bodies interested in the development of Rimouski harbour. The town of Rimouski has its own school of maritime navigation affiliated with the college course of the education department. It also owns an oceanographic research centre affiliated with the University of Quebec at Rimouski; the group GIROQ, a provincial body for oceanographic research; a squadron of the Canadian Power Squadrons made up of 40 members, which for several years has been giving courses in maritime navigation and nautical safety; a sailing club of 125 members whose aim is to promote sailing and teach its technique. The sailing club is also greatly responsible for the only off-shore sailing regatta in the province of Quebec; this regatta is supported by the Fédération de la voile du Québec and the winner is awarded the Lieutenant-Governor's trophy. Rimouski also has a 100-member scuba-diving club and 10 boats from 20 to 45 feet long, a nautical club with 300 members and 100 yachts 12 to 20 feet long.

Mr. Speaker, I do not know if you are aware of that, but a few years ago, the highway department built a road that stretches about three miles along the shore of the St. Lawrence River. A retaining wall was also erected. Unfortunately that wall has the effect of breaking the waves which now causes a lot of damage to pleasure boats and even bigger ships during storms. I would also like to mention damages caused in recent years since the construction of the retaining wall. Damages have been caused to boats and their owners since 1972, the year when the retaining wall of Highway 132 was built. This list is not exhaustive and is only given to indicate the urgency of the situation: a 30-foot whaler sank; a visitor boat from the United States a 35-foot sloop, and a 40-foot school-ship from Montreal were damaged. More than twenty ships of all sizes, local and visitor, suffered various damages.

The summer of 1974 was particularly fertile in unfortunate events: one wrist fractured, one rudder broken, two stem galleries wrung, one chain plate torn off with part of the deck, one stay tightener twisted and one mast broken in three parts. Unfortunately, to this list we should add long hours of watching, smashed fences, gunwale rails ripped off and countless damages to fibre-glass hulls or painted surfaces.

Mr. Speaker, for all those reasons and many more to which we will come back during another debate, we believe it is at least abnormal if not unjust that Rimouski could not benefit from the necessary facilities to protect small crafts and visiting boats. Rimouski residents can only offer the federal harbour in Rimouski East to local sportsmen for the protection of their craft. Moreover, this relative security is granted to them only through simple and gracious permission of port authorities and it can be removed at any time because it is not part of a contractual negotiation as such. Although partial, the protection owners enjoyed before was acceptable. As I said earlier, the construction of a retaining wall is required for Highway 132 in front of the Rimouski-East wharf, and it has transformed this relative security into a real danger. This retaining wall is in fact dangerous and bounces the waves formed by the north and northeast winds directly back into the harbour where the boats are berthed. Those waves, with the Bernouilli phenomenon caused by the bottleneck shape of the wharf, are quite amplified and cause really disastrous and highly dangerous situations, especially since the foreign visitor, knowing nothing of the above mentioned phenomenon, is deluded by the apparent security of this haven.

This situation is not extraordinary, as it could be easily believed, and it is not necessarily accompanying unusually bad weather. Every time the wind blows from the north-northeast or east, and that the tide is rising, the worst can be expected and the worst usually happens. When referring to serious works in meteorology for the Rimouski area concerning prevalent winds for normal navigation, and reading in regard the data of the 1975 tide tables, if we synthetize those parameters even summarily, there is no point in mentioning the apprehension felt by vacationers concerning the opening of the next navigation season. If we add to all this the narrowness of this harbour where over 39 local boats were berthing last year, most of them in double, this year there will be some 15 additional boats. The situation is not only dangerous but catastrophic and it becomes intolerable.

As long as the present harbour is not extended and protected by at least one north-south breakwater on the east side, it will remain illusory to develop navigational tourism on the St. Lawrence and farther east all around the Gaspé Peninsula. As long as visitors will not be protected, it will always be a bit ridiculous to organize, at the regional level, off-shore boat races which would supposedly be of international levels. Yet it is the status which can be expected for the lieutenant-governor classic. The success met by this competition in the last few years as to the number of participants is yet quite surprising if we consider there are no appropriate shelters and no services. That surprise could some day change into concern and lead to tragedy should there be an overly great number of competitors.

The economic input brought about by such a touristic attraction as those annual races could never be hoped to have some importance without the minimum requirement of building the breakwater previously referred to. Any event of this kind in our area will be doomed to failure and disappearance purely and simply more or less shortly. Mr. Speaker, in eastern Quebec as anywhere else in the country, summer is very short, and the department's efforts to develop tourism, promote with all Quebecers the taste for outdoor life and develop environmental resources will never be qualified as excessive.

The St. Lawrence is a prime ecological resource and the importance of rationally operating that unique stretch of water to the benefit of all citizens in the province without any distinction could never be overemphasized. The development of a recreational harbour in our area would have the immediate effect of extending by at least two months the sailing season on the St. Lawrence and, consequently, allowing more people to enjoy the healthy pleasures provided by a rationally and democratically operated ecological site. The tourist orientation of the Lower St. Lawrence and the Gaspé area was stigmatized on more than one occasion in past years; the host of various reports and studies on this conclude in the same affirmative sense. The positive steps taken by the department to make that important economic activity viable will always be favourably viewed by the whole population.

The trends that are growing each year within the Quebec community will in the next decade give the Department of Tourism increased significance. The higher average purchasing power, the ever stronger appeal of outdoor life and sports, the increase in leisure time will soon turn Quebec into a pivotal table for Canadian and world tourism as long as we take the time to develop properly the strategic tourist sites. Mr. Speaker, no one can deny the obvious attraction the Gaspé Peninsula and the Îles-de-la-Madeleine have for Quebec, Canadian and international tourism, especially since the recent creation of provincial and federal parks, and we do not think it is being bold to say that that trend will increase over the years.

The Anticosti Island recently acquired by the department will only confirm that trend and further stress the need for the strategic development of recreational harbours on the shores of the St. Lawrence above those attraction centres. So it becomes quite obvious that a service city like Rimouski becomes a new neuralgic stop over on the route of sailing tourists when one recognizes the enormous distances involved in such trips. So we want to point out the urgency of proceedings with the preliminary works and the construction of the breakwater this very year, another step in the progress of this country. So Mr. Speaker, I think it is urgent that the department get on with the job and meet the wish of a very important group in the Rimouski area.

Quebec certainly looks like a late starter in this area, with barely 25 to 30 marinas, compared—I am not saying this out of jealousy—with the more than 2000 which Ontario has, at least 500 of which have been built with the financial assistance of the federal government. I think it would be very wise, if not fair, for the department to do something for the isolated groups who have spent over 10 years trying to obtain the financial backing they need to carry out their marina projects.

On the other hand, Mr. Speaker, I am sure that the minister who introduced this bill will advise all parties interested in this marina project for the metropolitan city of the Gaspé region and that he will give a favourable reply to this group of Quebec taxpayers. I hope the minister will listen favourably to the wishes of all those who have been seeking for many years the building of a marina in Rimouski. I also hope this bill will make it possible, as I was saying a while ago, for the brave people of the lower St. Lawrence region to benefit from Bill C-7.

• (2030)

[*English*]

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I am pleased to participate in this debate, particularly since Bill C-7 meets, in general philosophical terms, with the approval and has the consent of our party and the opposition generally. Discouraging, however, is the fact that the minister himself is not as keen as we are in advancing this bill through this stage of discussion in the House and he is conspicuous by his absence tonight. This is something we do not greet with as much enthusiasm as we do some provisions in the bill.

We have to be delighted that it is now the intention, as the minister said in his opening remarks, to amalgamate the many sections of departments and agencies which were formerly responsible for small harbours and recreational facilities on lakes, oceans and rivers, which now fall under the purview of the Department of Fisheries and the Environment.

As we know, Mr. Speaker, this was not always so. When one used to apply under this act either for assistance to construct small harbours or facilities on shores, or one attempted to make deals or enter into agreements with individuals, municipalities or provinces, by the time the department acknowledged the request, the responsibility for small harbours had been shifted to some other department. The Department of Transport has several times had responsibility for this particular marine activity. Ministers of Public Works have had responsibility on several occasions, and then sometime in 1973 responsibility was shifted to the Department of Fisheries and the Environment.

We are all a little worried over one clause in the bill which provides:

Nothing in this Act applies to or affects

(a) any harbour, works or property under the jurisdiction of the National Harbours Board or of any harbour Commission established under any Act of Parliament;

We know what the distinction is. These are main port facilities on both coasts which are managed by special commissions or regional agencies. The clause continues:

(b) any harbour, wharf, pier or breakwater under the control and management of any member of the Queen's Privy Council for Canada other than the Minister;—

Now we are getting confused. How many other agencies are still putting their fingers in the pie? Is this really an amalgamation, or will the whole question be referred to other ministers? Are there other jurisdictions? In this regard the bill leaves us in the dark.

Then finally the clause provides:

(c) Any of the powers or duties of the Minister of Transport or the Minister of Public Works under any other Act of Parliament or regulations made pursuant thereto.

The minister tells us that small recreational and fishing harbours now come under one jurisdiction, and in the same breath he tells us through this bill that the Department of Public Works, the Department of Transport, and a whole series of other departments may also have jurisdiction; that this legislation, which is to be identified as the Fishing and Recreational Harbours Act, may not be under his jurisdiction at all as we move along and try to identify the various parts of the legislation. This leaves me, my colleagues and, I am sure, all Canadians confused as to who has responsibility in this area.

We are also confused over the fact that the minister has identified his new responsibility as having within its jurisdiction at the present time some 2,300 facilities. I would like to point out that 1,500 of those are fishing harbours and 800 are recreational facilities or installations. That does not take into account the hundreds of applications the minister and his department have received to install new facilities in some critical areas on both coasts and in inland water systems as well. What confuses us about this whole business is that we do not find any reference to the minister's new responsibilities in the estimates. He will be spending $35 million this year. That is all we see in the estimates. Having regard to the magnitude of this department and its responsibilities, we find this figure inadequate and not at all in tune with what the minister has identified his responsibilities to be.

● (2040)

Having regard to the most critical nature of this matter on both coasts, one wonders whether there is any way that the minister can address himself to the real need of inland water systems, one of which I will be making particular reference to in my remarks later on. There are many recreational facilities which receive no federal subsidies, and in fact there has been no federal involvement in them at all. We have known these facilities to be productive. They generate income in the national and regional interests. One wonders where the government's priorities are. We have to compare the $35 million which was channelled into a most critical area, fisheries, with the money which is spent on Mirabel every year. We saw fit to subsidize the installation at Mirabel by $45 million in one year. No revenue will be generated out of that white elephant. It will take away from some other airdrome which has served us well thus far.

We can also refer to the $500 million which is being put into the CBC every year. Instead of unifying our country and achieving a form of recognition of the difficulties in various regions, we have compounded the misunderstanding with the horrendous bumblings which this institution has perpetrated on Canadians over the last few years.

What about vital industries like fisheries and tourism? Tourism in some provinces is number one. How can we justify spending a mere $35 million? These comparisons have to be made because $35 million is not a very big amount in modern context. What is $35 million in comparison to the Canadian National Railways subsidy of $200 million a year, $500 million to the CBC, and $45 million to Mirabel?

This bill does not offer any comfort to our constituents on the west coast who have recently suffered a phasing out of a transportation subsidy which served 100 communities along the waterways of the west coast. My colleagues and my friends should be able to think back and realize that was a very critical issue in the House of Commons, and still is. The Minister of Transport (Mr. Lang) announced the subsidy and claimed the support of his west coast colleagues on that side of the House. He said that they all had input into this new policy which was called user-pay, and they were serving the best interests of their constituents. One of his friends immediately rectified that by saying he had nothing to do with this monster and wanted to disassociate himself from the minister's comments. That was said in the House publicly. Then there was the Minister of State for Fitness and Amateur Sport (Mrs. Campagnolo) who could not master the emotional fitness required to carry out the threat which she issued to the Minister of Transport, namely, that she would resign from the ministry and from the House if this whole question were not reconsidered.

This bill holds out very little comfort to those people. These people will be faced with not being able to go fishing or not being able to take their friends fishing. They will also be faced with a serious situation as to the movement of vital commodities to their shores. I am referring to the small communities on the coast of British Columbia.

I would like to make reference to the situation in my own constituency. In the mid-sixties Williston Lake was created as a result of the construction of the Bennett Dam in central and northern British Columbia. We have a situation now where we have an inland water system which encompasses 680 square miles of water and 1,000 miles of shoreline. There are several native communities which were completely isolated from the mainstream of life by that new water system. These people

used to communicate with the outside world along rivers or roads. Several native communities were totally dislocated and had to be moved when the lake was formed.

It was the wisdom of the department responsible for those particular people to move them close to civilization. When they discovered they could not cope with this new-found society, they moved back into the bush. The type of craft they were using to communicate with the outside world in order to get their mail, bread, butter, salt and sugar, were little canoes and boats. Then they found the little canoes and boats, which they had traditionally used, were no good for this lake which formed, if the wind was right, 20 foot waves. It was an ocean to them. There was no one who offered them any help in acquiring the skills necessary to traverse these waters or in acquiring equipment necessary to traverse these waters. Thus they are totally isolated from the mainstream of life.

The Minister of Transport tells us it is to be user-pay, and if they want to get sugar from across the lake they can buy themselves a $40,000 or a $50,000 ship, hire themselves a crew, and see what they can come up with. At the present time I do not know of any single installation in respect to a harbour, wharf, pier, breakwater, slipway, marina or any part thereof on this lake. There are a number of private installations which would have to be brought in by industry, and they would have their normal access to resources cut off and impaired. They had to adopt a whole new system. They used to be truck loggers, and now they take their logs, pile them on the ice in the winter time and, when the ice melts, the logs sink into the water. They had to buy big ships of an ocean-going type to move their goods and raw materials around this waterway. There was no assistance from anyone. The federal government, the Minister of Transport, and the Minister of Fisheries (Mr. LeBlanc) knew they had to buy their own boats. All of a sudden, communities around these lakes were totally isolated, yet no one offered any assistance.

● (2050)

There are other areas in which the Minister of Fisheries should have been involved in this whole mess, as some people call it, in central British Columbia. There were no environmental studies of the sort we talk of now in relation to pipelines and projects such as the James Bay project even though the ministry claims responsibility over several acts, including the legislation designed to protect the environment, notably the Navigable Waters Act. However, from recent inquiries directed to the department I learned that when the minister is asked to make comments or pass judgment, he may express his views with regard to any of these developments such as the Peace River power development, but there is no need for him to issue a licence, and he has no power to hold up such projects if they are discovered to be harmful to the environment. This is critical.

The dam project on the Peace River, as we now know, has changed the temperature in central British Columbia and in some of the northern regions by as much as five degrees. The temperature has moderated to that extend. On the surface one might think that the people living in the northern areas would greet this change with some enthusiasm. After all, it gets pretty cold up there—40 below in some places. But that is not the whole story. Humidity was also affected. And while we shall not know what the situation really is for another 25 years—officials to whom we have spoken say, "Well, the weather has been bad everywhere; this alteration in the level of humidity will also have repercussions in the region."

I will tell you, Mr. Speaker, what it has done to the farmers. The fact that temperatures are not as cold as they were does not affect them greatly, but it does bother them in the summertime because the humidity detracts from the fast ripening of No. 1 wheat in a region which was a choice area for growing this commodity. Since the lake was created the farmers have yet to raise a decent crop, and many of them are saying that the dam may well be responsible.

Then there are the loggers who, in the middle of November, build their roads into the bush and carry on activities in readiness for their main work which takes place in the winter time. The area is not very accessible in the summer by virtue of its swampy nature. They, too, found there was increased snowfall and insufficient frost in the ground to enable their heavy equipment to be moved in the normal way. They are still improvising and wondering how they will be able to adjust to these new conditions. I am not saying this is all negative. I am pointing out that some of these things were not considered before this project was undertaken, and that the Minister of Fisheries had some responsibility for expressing a judgment with regard to such a massive intervention but failed to take steps to protect the interests of a greater variety of people than those whose interests were considered by the provincial government.

This bill enables the minister to enter into agreements with the provinces and with individuals. I should like to ask him what agreements have been considered with the province of British Columbia in connection with Williston Lake. Certainly, the province is responsible for building this hydro project and I suppose it should have some responsibility for ensuring that the people whose lives have been disturbed, the people who have been isolated, the people whose freedom has been interfered with by this scheme, should at least be given some compensation in the area of transport and so on.

The Findlay River is one of the prime tourist areas in my country. Thousands of people go up that beautiful canyon to find enjoyment and fulfilment during the summer in pursuit of their favourite sport. There are two native communities there. First there is the community of Fort Ware, formerly totally self-sufficient. Today, not only can they not get up the river, because at most times the river is flooded and choked with debris, but they cannot even get access to the lake. They have talked to British Columbia Hydro but there is no comfort there.

The forestry service, which is interested in the lake, has undertaken to do what it can to clear the debris from the waterway but no substantial help is in sight, certainly not from the Minister of Indian Affairs and Northern Development

(Mr. Allmand), who surely should have something to say about the alienation of this particular community and the way in which its traditional rights and lifestyle have been affected.

Then there is the community of Inginika, the one actually displaced by the lake. These people found it impossible to cope with the pressures of the society into which they were moved. They moved back into their old area and are now completely isolated without the equipment or the means of carrying on their old activities. Every year, in the middle of winter as food runs out and fresh vegetables are not obtainable, I find myself making appeals to emergency organizations to fly in vital commodities to keep some of those people alive. Usually it is too late, malnutrition among the children having already taken its toll.

It is absolutely incredible that we should get this kind of document before us without any indication as to the means by which the minister intends to find the money to carry out his mandate. Of course there has been no lack of representation from the people affected by this lake. I have a letter here sent in response to an application originating from a group in Saint John called the River Rats. These people are carrying on a recreational endeavour along the great mountain rivers of the interior. They were affected, along with all the others. They wrote to the minister and asked him whether it would be possible for him to help them to carry on their activities. They wanted to build themselves the kind of equipment which could be used to go out on the lake. There are fish in the lake, and there is even a potential for commercial fisheries that some of the native people could carry on there.

● (2100)

On August 29, 1975, the response from the minister's department read as follows:

Our potential allotments for the next two years are fully assigned already and the funds for the ensuing years are under heavy demand as well. Thus, there is very little likelihood that we would be able to support the construction of several launching ramps in the Peace River in the next few years.

In view of your apparent willingness to proceed on your own with minor assistance only—

This is typical. When there is an application from the kind of people I represent, the government is always backing it up with either a solution or a suggestion as to where some of this money should come from, or else it says, "Look, if you give us 50 cents, we will gladly do another 50 cents worth of work and we will make the facility available not just to serve our own selfish interests but for the public in general."

The letter goes on to read:

—I suggest that you examine the opportunities available to you through the Local Initiatives Program—

I wonder if that is not one of the agencies to which the bill makes reference under paragraph (b) which states:

. . . any member of the Queen's Privy Council for Canada—

I say so because the minister has hidden behind LIP on many occasions in the House when we have asked questions about these facilities. He has said that maybe if there is all this unemployment they can apply through LIP and that that would be one of the areas in which the government could help. Needless to say that would not be one of the areas for which he is responsible.

The letter goes on to read:

You can determine your chances of assistance by contacting the representative in your closest Canada Manpower Office.

Here is the critical sentence. He is very generous and charitable when he says:

I would be prepared to endorse your application. The deadline for replying is September 12th but I would urge you to apply as soon as possible.

How generous of the minister to say that he would endorse the LIP application because he knows best what the local priorities are. I asked him what his priorities are with regard to small harbours and recreational facilities. I found this rather comical, and followed it up. I explained to his officials precisely what I am saying here tonight.

Here we have a complete new waterway, a giant inland ocean totally alien to the environment of the area, and there is no federal involvement or assistance to establish any kind of facility. Experts from the outside will have to build it for us because we do not know how to cope with a water system of that type. So an official in the minister's department told me the following in his letter, which is a couple of pages longer but says as much:

The demand on our small craft harbours funds has been extremely heavy lately necessitating that we put up for consideration only those projects which show the greatest potential for service to the general boating public. Our funding for the next five years will support only about one quarter of the requests which we have on file to date.

The minister is now responsible for 2,500 facilities. He is four years behind in processing the applications he has, and there is nothing in the budget that would support him in his new responsibility of looking after wharfs, piers, waterways and harbours, particularly on some of the inland waterways. The estimates are totally inadequate—

The Acting Speaker (Mr. Ethier): I regret to interrupt the hon. member, but the time allotted to him has expired. He can continue, nevertheless, with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Oberle: Who said no?

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I would certainly be willing to wait another five or ten minutes to give my colleague an opportunity to complete his remarks. It is regrettable that members opposite will not extend that courtesy to my colleague. His speech was dead on.

Mrs. Holt: If he cannot say it in 40 minutes, he should not say it at all.

Mr. Whiteway: The hon. member is wrong on two counts; first, he did not have 40 minutes.

Mr. Lalonde: You are losing your time—the clock is turning.

Mr. Oberle: I'm ashamed you come from British Columbia.

Mr. Lalonde: You have already lost three minutes.

Mr. Whiteway: This government introduced the legislation on December 10. I think that that is indicative of the priority the government gives to this legislation. The legislation was introduced in December and the government waited through January, February, March, April, May, and now four days into June.

Mr. Dionne (Northumberland-Miramichi): Can you count to two?

Mr. Whiteway: If the hon. member could count half as well as he pretends he can, we would have a lot more than $35 million for the harbours of this country.

Some hon. Members: Hear, hear!

Mr. Oberle: Right on!

An hon. Member: He should talk; he has one of the maritime constituencies.

Mrs. Holt: And you wonder why the legislation does not go through parliament!

Mr. McCain: They don't put gags on us here.

Mrs. Holt: That's the trouble.

The Acting Speaker (Mr. Ethier): Order, please. Hon. members are reminded that they should address the Chair.

Mr. Whiteway: We passed Bill C-37 in one day. Members on this side of the House are prepared to support good legislation, but we are elected to scrutinize the legislation presented to the House and I will not forfeit that right for any member of the government. If you insist on bringing in legislation such as this, then you better not expect to get it passed in one day. If it were half as important as you think or postulate it is, you would not have waited six months to put it back on the order paper, so do not stand up in your self-righteousness—

Mrs. Holt: I did not stand up; I am sitting.

Mr. Whiteway: That is the problem with you. You very seldom stand up in the Chamber and say anything. You Liberal backbenchers speak from your seats. Stand up in your places and explain to the people of Canada why there is only $35 million for the small craft harbours in this country.

Mr. Oberle: You cannot serve your constituency if you hang on to the coattails of the six million dollar man.

The Acting Speaker (Mr. Ethier): Order. Again I must remind hon. gentlemen that if they wish to take part in the debate they should rise in their places and be recognized, either on points of order or points of privilege, but at present I have recognized the hon. member for Selkirk (Mr. Whiteway).

Mr. Whiteway: Thank you, Mr. Speaker. There is the Minister of National Health and Welfare (Mr. Lalonde) again debating from his chair, again debating from his seat.

Bill C-7 deals with the administration and development of certain fishing and recreational harbours in Canada. At present the legislative authority for the administration of our small craft harbours is provided by the Government Harbours and Piers Act and its accompanying wharf regulations, as well as orders in council drafted in 1895 and revised in 1937. I think this is the proper time to have the government bring in some revision.

• (2110)

The present law certainly does not address itself to present day administrative needs of fishermen and recreational boaters, and it does not provide for the development of harbours. It was in June of 1937 that the responsibility for the administration of small craft harbours was transferred to the Department of Fisheries from the Department of Public Works, and the minister's authority has suffered over the years because the administration has been under orders in council.

In the minister's speech on this matter back in December of last year he pointed out that there are some 2,300 government facilities which are affected by this legislation and which come under the definition of small craft harbours. Fifteen hundred of these are primarily used to service fishermen, and some 800 are for recreation. I have already pointed out that the budget this year for capital costs to repair and to construct new docks for boats, whether they be recreational or used for fishing, is $35 million. This is obviously grossly inadequate.

Let us consider Lake Winnipeg. I have spoken about Lake Winnipeg in this Chamber many times. It is the largest inland fresh water body which is totally within Canada. I was about to say it has a thriving fishing industry. It was thriving until the government opposite got hold of it. I wish the Minister of State (Multiculturalism) (Mr. Guay) were in his place because I am going to talk about something very near and dear to his heart, that famous processing plant located in the wheat fields of his riding. I will get to that in a minute. However, the docks and the maintenance of dock facilities on Lake Winnipeg have deteriorated.

Mr. Oberle: There's the hon. member for St. Boniface.

Mr. Whiteway: The minister has just arrived. I will get to the FFMC in a minute.

Mr. Lalonde: Hurry up.

Mr. Whiteway: The entire budget of the Minister of the Environment (Mr. LeBlanc), who is responsible for fisheries, this year is $261.016 million. Let us compare for a moment the total budget of the minister—particularly the $35 million directed toward the construction and maintenance of docks—with the budget of, for instance, the CBC.

The subsidies Canadian taxpayers pay to the CBC amount to $416 million.

Mr. Dionne (Northumberland-Miramichi): A very valid comparison.

Mr. Whiteway: To subsidize this year's operating expenses of the National Art Centre will cost $8 million. Most of my constituents will never in their lifetime see the Art Centre, let alone ever be able to see a round of productions. I am not arguing, as hon. members opposite who have some great fears might, against arts and culture in this country. I am categorically saying that the government has its priorities all screwed up.

Some hon. Members: Hear, hear!

Mr. Whiteway: One of the government's priorities is to spend half a billion dollars in Mirabel. It is not quite the disaster we feared. It is not doing too badly. In the last fiscal year Mirabel lost only $46 million. That was not quite as bad as hon. members on this side had anticipated.

Mr. Dionne (Northumberland-Miramichi): That must have disappointed you.

Mr. Whiteway: The hon. member from New Brunswick ought to have been with me last week with the Transport Committee—

Mr. Dionne (Northumberland-Miramichi): New Brunswick was well represented.

Some hon. Members: Hear, hear!

Mr. Whiteway: Come the next election—

Mr. MacDonald (Cardigan): You'll not be back.

Mr. Whiteway: If hon. members opposite and ministers on the Treasury Benches are so certain I will not be back, why do they not issue a writ?

The Acting Speaker (Mr. Turner): Order, please. I suggest that the hon. member get back to the bill under discussion.

Mr. Whiteway: Mr. Speaker, as I develop my point you will clearly see that the attitude of hon. members opposite is a reflection of their inability to understand my argument.

Mr. Guay (St. Boniface): You are the only one who understands it.

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Selkirk has the floor.

Mr. Whiteway: It is interesting that the hon. minister opposite interjects before I develop my argument. He is characteristic of small fish which bite before the hook is even baited. My friend from New Brunswick left because he could not stand the heat of my argument.

Mr. McCain: The Mickey Mouse from Miramichi.

Fishing and Recreational Harbours

Mr. Whiteway: I was talking about capital expenditures for small craft harbours. The attitude opposite is to laugh this matter off. To them it is not a serious matter. They spend countless millions of dollars on everything else but not on things which are valuable to people who want a return on dollars invested. The Minister of National Health and Welfare cannot control his laughter. That is the attitude of the government which is being displayed tonight. Let us compare the $35 million I have spoken about with the expenditures of the National Capital Commission, of $53 million. I could go on and compare this pittance, this tokenism of this government for small craft harbours, with other expenditures.

An hon. Member: Give us the punch line.

Mr. Whiteway: If the hon. member wants the punch line, perhaps the government should issue a writ. The Canadian people would issue the punch line.

Mr. Dionne (Northumberland-Miramichi): That is not what Gallup says.

Mr. Whiteway: I am coming to the part which might be of interest to the Minister of State (Multiculturalism). I have already mentioned that the condition of the docks and the piers on Lake Winnipeg is deplorable, and that is part of his responsibility.

Lake Winnipeg is now going to be administered under this legislation, Bill C-7. Lake Winnipeg accounts for one third of the total production of the Freshwater Fish Marketing Corporation, and in order for that production to get to where it was before this government got hold of FFMC, back up to 70 million pounds or 75 million pounds—we are now harvesting only 30 million pounds from the lake—

An hon. Member: This sounds like a fish story.

Mr. Whiteway: —we need to maintain our harbours and docks in good repair. I will give the hon. member a good fish story.

Historically the dock at Selkirk, which is located on the Red River some 12 miles from the lower end of Lake Winnipeg, always had a fish plant. It has always been the centre for the processing of fish from the lake. The fishermen would pick up their supplies there and go back up the lake for another trip. This government, through political expediency rather than sound judgment, has robbed Selkirk of its historical and geographic advantage in the FFMC.

● (2120)

These political vandals have plundered the birthright of the town of Selkirk. What did they offer in its place? Instead of offering a fish plant, improved docking facilities, new piers, and the kind of vital industry that has made the town viable, they offered a federal maximum security penitentiary. They took the fish plant from Selkirk, and where did they put it, Mr. Speaker? I grew up on the south shore of Nova Scotia and I know that in the Maritimes a fish plant is put by the harbour where the boats can dock, unload the fish, process it and send

it off to market. But on the advice of the Minister of State (Multiculturalism) from St. Boniface this fish plant for Selkirk was built right smack in the middle of a wheat field, ten miles from the nearest water as the crow flies—a monstrosity which has lost money in every year of its operation.

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a point of order. I would like to say to the hon. member that not only did I get the fresh fish plant but I got the Royal Canadian Mint and a tax centre. There will be other things to come, and I hope people will support a good member who will probably get a lot more done than the people in his party.

The Acting Speaker (Mr. Turner): Order, please. I would suggest to the hon. minister that this is not a point of order but rather a point of debate.

Mr. Whiteway: The minister takes credit for the FFMC. As far as the mint is concerned, I suppose he and Jim Richardson will fight about—

The Acting Speaker (Mr. Turner): Order, please. The hon. member will refer to members of the House by riding and not by name.

Mr. Whiteway: Thank you, Mr. Speaker. Of course everybody will recognize the former minister of national defence, who resigned because of differences with the government and the Prime Minister (Mr. Trudeau), as the hon. member for Winnipeg South (Mr. Richardson), and I shall so refer to him.

The Minister of State (Multiculturalism) wants the people of Winnipeg and Manitoba to know he has taken credit for that monstrous—

Mr. Guay (St. Boniface): I will be proud if you tell them. I hope you have the guts to tell them.

Mr. Whiteway: Mr. Speaker, that is one thing the minister does not have. I have the guts to get up in the House of Commons and make my position very clear.

I cannot help but comment in passing that some months ago the Prime Minister said he intended to strengthen multiculturalism. I should like the minister to explain how his appointment is in any way compatible with that stated objective.

Mr. Guay (St. Boniface): Mr. Speaker, on a point of order, I should like to ask the hon. member for Selkirk (Mr. Whiteway) if he and his leader are in favour of multiculturalism.

Mr. Whiteway: Mr. Speaker, now the minister has got his role straight. I have been waiting for three years for him to ask questions so that I may give him some answers. If he would not get so excited and would listen to members on this side of the House he would get a lot of answers—more answers than he could dream up questions.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Whiteway: The seals are yapping in the back.

[Mr. Whiteway.]

Mrs. Holt: That side has nothing to yap about over there.

The Acting Speaker (Mr. Turner): Order, please. Standing Order 12(3) reads as follows:

When a Member is speaking, no Member shall pass between him and the Chair, nor interrupt him, except to raise a point of order.

I suggest that members look at the Standing Order.

Some hon. Members: Hear, hear!

Mr. Whiteway: Mr. Speaker, perhaps hon. members opposite, including the Minister of State (Multiculturalism) would address themselves to the question of how the administration of this act can be compatible with the user-pay principle espoused by the Minister of Transport. Certainly the fishermen on Lake Winnipeg should not have to bear the capital cost of maintaining the docks and piers which have been allowed to deteriorate because of this government's lack of recognition of the priority of this area. The government has allocated $35 million for capital construction, most of which has gone to the coast rather than to service inland small harbours. That is something upon which hon. members opposite and even the minister should reflect.

I have one serious misgiving about this bill, Mr. Speaker, and that concerns the power given to the minister to institute regulations by order in council from time to time. We should take careful note of this because the regulations are very wide. On page 4 of the bill under the heading "Regulations" the following appears:

9. The Governor in Council may make regulations

(*a*) prescribing schedules naming the delimiting or describing the fishing or recreational harbours that are under the control and administration of the Minister for the purposes of this Act;

(*b*) for the maintenance of order and the safety of persons and property at any scheduled harbour;

(*c*) not inconsistent with any other Act of Parliament or regulations made thereunder, for the control of mooring, berthing, loading and discharging of vessels at any scheduled harbour;

(*d*) not inconsistent with any other Act of Parliament or regulations made thereunder, for the control of pollution at any scheduled harbour;

(*e*) prescribing standards for the accommodation and services provided or to be provided at any scheduled harbour;

(*f*) prescribing charges for the use of any scheduled harbour;

(*g*) prescribing the duties or functions of persons appointed or designated under this or any other Act of Parliament—

I shall skip to the final clause which is a sort of basket clause and reads as follows:

(*p*) generally for carrying out the purposes and provisions of this Act.

I have some fears that the fishermen, particularly those on Lake Winnipeg and all those covered by FFMC, are going to be burdened with officials and bureaucrats who will descend on them with more regulations than could be memorized or understood by a Philadelphia lawyer. If those officials, bureaucrats and civil servants learn that a poor fisherman, or even someone who owns a recreational boat, is in violation of any of these regulations which are made by order in council rather than by act of parliament, he could be fined a maximum of $50. To hon. members opposite and bureaucrats in Ottawa $50

may not seem like much money, but it is a great deal of money to the fishermen of Gimli, Riverton, Arnes, and Camp Borden in the Winnipeg Beach area. This provision is significant to fishermen who seek to earn their living in the area. They must use an FFMC centralized processing plant located in the middle of wheat fields, in the riding of the Minister of State for Multiculturalism.

• (2130)

On top of the demoralizing effect of the quota system operating with respect to Lake Winnipeg, and the host of regulations almost too great to enumerate, there looms over the heads of our fishermen the prospect of regulation upon regulation dreamed up by bureaucrats. These regulations would not be passed by parliament, where members could debate, scrutinize, and possibly amend them. No, they will be made by bureaucrats, and fishermen will be bound by them. These regulations will be imposed on the fishermen fishing on Lake Winnipeg; they will be imposed on those operating small recreational boats, on those who want to do a little sailing in order to forget the provincial government's high taxation policies.

Mr. Oberle: They want to get away from it all, especially from the hon. member for St. Boniface (Mr. Guay).

Mr. Whiteway: As my colleague says, they want to get away from it all. I know ministers must be granted certain powers. We do not require ministers to use up the valuable time of the House of Commons in order to introduce regulations governing small craft harbours in Canada. However, Mr. Speaker, Bill C-7 is open ended. It is a no holds barred, a "no recourse for people" piece of legislation which offends my concept of democratic procedure and representative government.

Some hon. members opposite say that the member for Selkirk, myself, has not the ability to represent the people of Selkirk. Of course as a member of parliament I am fair game; I always like a good debate in the House of Commons. Seriously, it is my right and responsibility to represent to the best of my ability my constituents and to give voice to their hopes, dreams, and anxieties. The hon. member for St. Boniface is under exactly the same obligation, which he discharges conscientiously, as I know. I cannot neglect my right and responsibility. Although in principle and for the most part I accept this legislation, I must point out with the greatest of reluctance that the basket clause, the all-encompassing provision of the bill which allows the minister to bring in regulations by order in council, to bring in regulations which could change the very nature of the act, is not acceptable. A regulation can be as binding as an act of parliament.

There is a host of bureaucrats who day after day, in their ivory towers in Ottawa and Hull, draft regulation on regulation; some are reasonable and logical; some are not. But all can affect the fishermen who use the docks, piers, wharves and facilities of Lake Winnipeg. To those fishermen some of those regulations are an imposition by an awkward government. In the view of fishermen, many regulations are not intended to help fishermen and the people of Manitoba who seek to eke out a living with fishing. They see these regulations as part of the centralized process, which includes the fish processing facility located in the middle of a wheat field in the riding of the hon. member for St. Boniface.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but I must inform him that his allotted time has expired. The hon. member may continue if he has the unanimous consent of the House. Had the hon. member unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I do not often debate questions concerning harbours; however, having read this dictatorial piece of legislation I enter this debate without hesitation. I just returned to Ottawa, after touring the maritimes with the Standing Committee on Transport and Communications. The committee listened to the problems of the good people of Newfoundland, New Brunswick, and Nova Scotia. I witnessed the standing committee going through the charade and farce of listening to the problems of the people of an area. Members of the CTC were also in the maritimes, holding hearings with regard to port and harbour problems.

Almost every day, as the committee listened to the people of the maritimes talking about their problems, you could pick up a newspaper and read about the Minister of Transport (Mr. Lang) having made a policy announcement concerning transportation. And all this time at the expense of the taxpayers of Canada, the committee was travelling around that part of the country trying to give the impression it was listening, studying briefs, and paying attention, in order to make a report. We read in the newspapers about the Liberal government's policies, while stupid committees travel around the country and listen to people talk about their problems concerning wharves and roads. They can't get a potato bin in New Brunswick, but the government is willing to spend millions of dollars for stupid air terminals in Quebec, and this sort of thing.

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

Mr. McKenzie: The hon. member says, Oh! You are a real Grit. You aren't fooling me, and I told them at these committee hearings—

The Acting Speaker (Mr. Turner): Order, please. I suggest that the hon. member return to the subject matter of Bill C-7.

Mr. McKenzie: Mr. Speaker, I will return to Bill C-7. I point out that legislative authority for administration of small craft harbours is provided by the Government Harbours and Piers Act, its accompanying government wharves regulations and various orders in council. Because it was drafted in 1895 and revised in 1937, the act does not focus on the present day administrative needs of fishermen and recreational boaters,

and does not include provisions for the development of those harbours.

Further, when program and administrative responsibilities for these harbours were transferred to the Department of Fisheries from the Department of Public Works and the Ministry of Transport in June, 1973, it was done by order in council. When the Standing Committee on Transport and Communications visited the maritimes recently, we read almost every day in the newspapers about some government policy pronouncement concerning this field. The Department of Fisheries claims that the minister suffers because his authority over small craft harbours has been derived from an order in council rather than a legislative enactment. For example, one transport official on the west coast refused to acknowledge the transfer and refused to send his files to fisheries until September, 1976.

The budget of the small craft harbours branch in fisheries is $35 million for the fiscal year 1976/77. Most of the money is used for repair and modernization of the government fishing and recreation wharves on the east and west coasts. There are approximately 2,300 government wharves, with twice as many fishing as recreational wharves, covered by the branch. These facilities are valued at three quarters of a billion dollars.

● (2140)

One of the major criticisms of the bill is the widespread powers being granted to the minister in Clauses 5 and 8. Clause 5 reads:

> The Minister may undertake projects for the acquisition, development, construction, improvement or repair of any scheduled harbour or any fishing or recreational harbour to which this Act applies.

Clause 8 reads:

> The Minister may, subject to the regulations,
>
> (a) lease any scheduled harbour or any part thereof to any person;
>
> (b) grant a licence to any person for the use of any scheduled harbour or any part thereof; and
>
> (c) enter into an agreement with the government of any province or any agency thereof for the occupancy and use of any scheduled harbour or any part thereof.

According to the branch, Bill C-7 is wide enough for the minister to do it alone or in concert with the provinces and the municipalities. This is especially true in the area of recreation where existing legislation is not clear. Bill C-7 seems to allow the minister to build recreational harbours or wharves wherever he chooses, regardless of provincial or municipal desires, at a time when that party has been advocating greater provincial responsibility and rights. This bill goes against that sentiment. Therefore we urge that it be amended so that the minister will have to work in concert with the provinces.

Mrs. Holt: Mr. Speaker, I rise on a point of order. In view of the fact that the hon. member's colleagues, the hon. member for Athabasca (Mr. Yewchuk) and the hon. member for Edmonton West (Mr. Lambert), make such an issue in this House about reading speeches, I suggest that if the hon. member is going to read his speech he at least read it in a manner that is not a mumble.

[Mr. McKenzie.]

Mr. McKenzie: As a minimum, the minister should be forced to announce his intentions concerning recreational harbours. The government has been becoming more and more involved in the financing and construction of these harbours. Recreational harbours have been increasing while fishing harbours, for example government wharves, have been decreasing in numbers. As a result one might ask whether recreation will supersede fishing in importance in the Small Craft Harbours Branch. To further emphasize this point, if you have a government wharf that is in need of repair in your constituency, that might be pointed out as a glaring example of government disregard for our fishermen.

Since Bill C-7 is partly concerned with financing recreational harbours, one might question one aspect of the government's marina assistance program which was established to encourage the construction of new marinas by local municipalities and private developers.

Mrs. Holt: Are you talking in your sleep?

Mr. McKenzie: The federal government pays for the construction of a breakwater and for dredging while the municipality and/or developer pays the other costs, plus upkeep. Government participation is limited to 50 per cent of the total cost. However, despite paying up to 50 per cent of the project, the government receives no future compensation for its contribution. Why should the government help private developers line their pockets with taxpayers' money? Does the government at least ensure that the marina will be open and available to all boaters at reasonable cost?

The branch would like to abandon or destroy about one half of its fishing and recreational wharves because they are either not being used or they are in utter disrepair. For fishing, it would like to have an area served by one central government facility. Since many of the government fishing wharves are essential to the livelihood of many small fishing communities, will the minister announce his intentions regarding the future of government fishing wharves so that the affected communities can react?

Mrs. Holt: Which official language are you using? We cannot tell from here because we cannot hear you.

Mr. McKenzie: Tune in. Don't show your ignorance. You made your point. I have a bit of a cold. I have a husky throat. If you ever get to speak with a husky throat, I will shout you down good and clear.

There are presently wharfage charges on the books. However, as there are only about 200 wharfingers to collect these charges, out of the 2,300 government facilities, most fishermen have become used to paying nothing for the use of these wharves. Under Bill C-7 the government plans to appoint zone managers to look after these government facilities and it plans to institute a licensing program for the use of these facilities. The plan now being discussed would require a fisherman to purchase a licence based on the length of his vessel, $1 per foot. This would be an annual licence and it would allow the fisherman to use any government facility. Fisheries expects

opposition to this proposal because, as said before, most fishermen have not been paying a docking fee.

The general intent of the bill should probably be supported, but there are many areas for questions.

This bill, on the surface, would appear to be nothing more than a housekeeping bill, a bill which transfers from the Department of Public Works and the Minister of Transport (Mr. Lang) administrative responsibility to the Department of Fisheries and the Environment. However, upon close examination I cannot help noting that this bill adds still further financial burdens to an already over-burdened fishing industry. I understand—and I am supported by the minister's statement of this morning—that legislative authority for administration of our small craft harbours was provided by the Government Harbours and Piers Act and its accompanying wharf regulations, as well as various orders in council. Because it was drafted in 1895 and revised in 1937, the act does not focus on the present-day administrative needs of fishermen and recreational boaters and does not include provision for the development of these harbours.

It is interesting to note that when programs and administrative responsibilities for these harbours were transferred to the Department of Fisheries from the Department of Public Works and the Minister of Transport in June, 1973, the transfer was brought about by order in council. Obviously, our fisheries interests have suffered because the minister's authority over small craft harbours has been derived from an order in council rather than from a legislative enactment.

I am informed, as I pointed out earlier, that some of the Transport officials have refused to comply with the order and were late in filing with the minister.

It can readily be seen from the wording of the bill that the minister has been granted wide powers, and although we are not opposing this legislation, we would be remiss in our duty if we failed to register our concern over the wording of some parts of this bill. For example, the budget for small craft harbours this year is in the order of $35 million. Some of this money will be used for repair and modernization of government fishing wharves on the east coast.

As the minister has stated, there are some 2,300 government facilities covered under the small craft harbours legislation. Of these, approximately 1,500 are used for fishing and some 800 for recreation. From the figures we can readily see the number of people who are affected by this legislation, yet the minister gave no indication either in his remarks this morning or in the bill as to the government's intentions with regard to increased sums of money to be made available for needed improvement of the many facilities which this bill places under his care.

If we look at the estimates for the fiscal year ending March 31, 1977, we find that the total budgetary amount for the fisheries and marine program under the heading of "Environment" comes to $261,016,000. There are many comparisons that can be made with that figure and the amounts allocated to other government departments: namely, the CBC, $416 million; Atomic Energy of Canada, a department which we are hearing quite a bit about these days, $97 million; the National Capital Commission, $53 million; the National Arts Centre, $8 million. We spent something like $50 million on erecting the building, and now it cannot operate without a subsidy of $8 million just so people can see the show.

• (2150)

I believe the minister is working hard. He is making an honest effort. He is trying. I believe he is hoping for a better future for our fishermen. I give him credit for that. However, many of the people in the area covered by this legislation have survived for many years on hope. But that hope, I say to the minister sincerely, is now turning to despair. At the present time, on the Atlantic coast there are approximately 39,000 fishermen of whom only about 3,000 are on the offshore fleet. The rest are all inshore fishermen, dependent on small craft harbours as a base for landing their craft. They hope to have security for their ships and fishing equipment when high winds and heavy seas force them from the fishing banks.

Under this bill, the Minister of Fisheries (Mr. LeBlanc) is given a sacred trust. He is being given a responsibility to ensure that adequate facilities will be provided for the safety, lives and equipment of some 36,000 inshore fishermen in Atlantic Canada alone. Since fishing markets are mostly external to Canada, it is essential, indeed, vital that this nation keep its fishing industry as efficient as any in the world. Up to this point I have been speaking only of the inshore fleet. However, our offshore fleet also requires consideration by this government.

At the present time, some 12 companies, owning approximately 50 plants, of which some 25 are served by the offshore fleet, account for approximately 80 per cent of Canada's fresh and frozen groundfish production and about 45 per cent of the total fishing production of Atlantic Canada. This fleet is struggling today. The captains are struggling to find the large volumes of raw materials required for 12 months of operation on a mass production basis. What does this bill do for them? If they increase their costs, it will knock Canada out of the highly competitive world markets it presently enjoys as a seafood supplier. Both our inshore and offshore fleets are vitally important to the Canadian economy. However, I say to this House that our only chance to exploit the fisheries resources to the extremities of our 200-mile zone and beyond this area is with a modern, efficient fleet working on a 12-month basis.

We have the expertise; we have the know-how in Atlantic and Pacific Canada. We need only a management team interested in the recovery and harvesting control of our resource to give Atlantic Canada a restored and thriving fishing industry. As the resource recovered, we could triple our present volume without adding appreciably to the number of ships in operation today, thereby assuring steady employment for our fishermen and plant workers.

Here I mention a very important adjunct to the fishing industry, our plant workers. Shore plant workers in our east coast fishing plants are facing economic hardship today due to

the mismanagement of our fisheries resources by this government over the past ten years. Recently, a weekly newspaper printed a cheque stub from the pay cheque of an average wage earner in an east coast plant. The cheque stub showed 34.25 hours worked at regular time, $3.90 per hour, and 12 hours of Saturday overtime at $5.85 per hour. The gross earnings were $207.53, while the net earnings were $171.43. Even you, Mr. Speaker, might say that is not bad for a week's work. However, you would be adopting the wrong premise because the figures I have just quoted cover a two-week work period. It works out to $85.71 per week. Out of this amount, he or she has to pay the rent, or mortgage, food, fuel oil, clothing, electricity, operate a car to and from work, plus gas and all the rest of a family's expenses. This, I say, is about average for plant workers as a whole.

This is a dismal record even in the Atlantic provinces. As I said earlier, during my trip with the transport committee the shabby way these people are treated by the government was confirmed, not only in the fishing industry but also the potato industry.

When there are no fish to process, the work force is sent home as the employees are paid only for the hours worked. The Anti-Inflation Board obviously did not take that factor into consideration when it made decisions about wage levels. The Minister of Fisheries and his officials obviously did not take it into consideration when they established fisheries quotas for 1976 and 1977, quotas which force the fisherman to limit his fishing activities, quotas which force him to spread out his fishing effort over a longer term. This action will in the long run spread out the economic and social hardship for shore workers over a longer period.

Recently the Minister of Fisheries was asked a question in the House about discussions he was having with the industry concerning quotas. He replied that he was hopeful that he could spread the quotas for the next year over a 12-month period. That, I know, was not an intentional statement by the minister. It could not have been. It shows a gross lack of knowledge of what happens when you encourage men who want to go to sea, men who want to work to the best of their capability to catch the biggest catch available to them, telling them to spread out their capability, spreading out the fishing quotas so that they will only land smaller quotas per trip. Think of what this is doing to the shore plant worker. I just gave a classic example of what is happening at present and has been happening throughout 1976, yet this year they are not promised more of the same, but even a little less of the same. The minister is, in effect, saying that $85.71 a week is enough for a shore worker. Surely we can do better than that.

We are establishing a 200-mile limit, hopefully for the benefit of Canadians and not entirely for the benefit of foreign nationals. Hopefully, it will be for the benefit of shore plant workers in Atlantic and Pacific Canada. However, this is the ultimate result of the minister's action when he says we will spread out quotas. He is simply spreading out inefficiency. It is not encouraging initiative. It does not encourage people who are ambitious and want to work. This is making it more difficult for our people, both ashore and afloat, to earn an honest living. The fishing industry of Canada obviously requires a higher profile. It needs a spending priority equal to or higher than that of the CBC, since the fishing industry directly and indirectly affects the livelihood of so many Canadians. Unfortunately, Bill C-7 gives little or no recognition to the validity of many of the points I have raised. It does, however, grant the minister wide powers.

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

Mr. Guay (St. Boniface): It is 10.30 tonight.

The Acting Speaker (Mr. Turner): Order. Under previous arrangements the House sits until 10.30, the late show being from six to 6.30.

Mr. Guay (St. Boniface): Carry on reading.

Mr. McKenzie: Thank you, Mr. Speaker. As I was saying, this bill does grant the minister wide powers, far too many powers.

Clauses 5(1) reads as follows:

> The minister may undertake projects for the acquisition, development, construction, improvement or repair of any scheduled harbour or any fishing or recreational harbour to which this act applies.

Clause 8 provides:

> The minister may, subject to the regulations,
>
> (a) lease any scheduled harbour or any part thereof to any person,
>
> (b) grant a licence to any person for the use of any scheduled habour or any part thereof, and
>
> (c) enter into any agreement with the government of any province or any agency thereof for the occupancy or use of any scheduled harbour or any part thereof.

Knowing the character of the minister, and knowing the character of various members on this side of the House—one of whom, I believe, will be the minister of fisheries after the next election—I am sure these wide powers will not be abused. However, this does not mean they should remain on the books. I was always of the opinion, for example, that our harbours belonged to the public. I cannot understand how any minister could believe he had the right to lease harbours or any part of a harbour to one person. Surely, limits should be set on the application of Clause 8 when the measure is sent to committee.

• (2200)

Under this bill, the minister can build recreational harbours wherever he chooses, without regard for provincial or municipal desires. What has happened to the view that the provinces should be consulted on matters which affect their interests? I say to the minister most sincerely that lack of consultation over fisheries matters with provincial ministers is a major criticism of him, and that it is advanced not only by Conservative provincial ministers but by Liberal provincial ministers as well. The government is becoming increasingly involved in the building of recreational harbours. It has taken the path of shared-cost programs with the provinces; it pays up to 50 per cent of the cost, but only for breakwaters and dredging.

Provincial and municipal governments pay the other costs, as well as the cost of annual upkeep.

Unfortunately, the number of recreational harbours is increasing while the number of government fishing wharves is decreasing. I am not opposed to recreational harbours being established, since they are beneficial to the tourist industry, to visiting yachtsmen when they come to Canada from the United States or other countries. However, I submit they should not be built at the expense of our fishermen or of our fishing industry which is presently being denied adequate facilities in many parts of Canada.

In any town there is a desperate need for further docking space for our scallop fleet. In Vogler's Cove, Nova Scotia, the inshore fleet requires another 60 feet added to the present wharf in order that the longliners may have adequate protection. There was a recent article in the Halifax *Chronicle-Herald* under the heading "Smithville Fishermen Still Waiting For Wharf". As I travelled with the Standing Committee on Transport an Communications last week, I found out about all the fishermen and the potato growers waiting for wharfs and potato sheds. They are still waiting today.

The article continued:

> Four years after being promised a new wharf by the federal government to replace the existing decrepit structure which is the focal point of fisheries activities in this small Atlantic coast port, fishermen are still forced to operate from the same primitive facility which has been in existence for many years.
>
> "Any good storm or even a high tide could easily wash this wharf out tomorrow and then where would the fishermen tie up?"

A veteran fisherman of the area and an operator of a small handling plant by the wharf said:

> "Conditions here are unbelievable. Several years ago one section of the docking facilities completely collapsed under the weight of a hundred lobster traps. Although recovered by their owners, the traps were damaged beyond all recognition."

The fisherman went on to say that instances like this have not been uncommon and, as a result, fishermen in the area were notified five years ago that a new wharf was on its way.

Prior to the five by-elections in Quebec, the Minister of State for Urban Affairs (Mr. Ouellet) announced that another $231 million would be poured into the province of Quebec for more federal public buildings in Montreal on the leftover property at Mirabel. I notice the hon. member for Battleford-Kindersley (Mr. McIsaac) is smiling. He thinks it is a big joke. He should have been down there with this committee listening to the fishermen and the potato growers. Everything is a big joke for the Liberals. He should have come down there and explained Mirabel and the $231 million which is going into Quebec. He could have also explained that white elephant in Winnipeg, the $50 million hanger that is not required. He could have explained all the other boobs which his party has pulled off. I hope the minister will put this in his little black book when he starts his duties—

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a point of order. I would like to go on record as saying that I am very pleased with the construction of the hangar at the Air Canada base in Winnipeg. The people of Winnipeg also wanted it. I am surprised to hear the hon. member for Winnipeg South Centre (Mr. McKenzie) saying that it is a white elephant. He was the one who was pushing to get it, and now he is talking out of the other side of his mouth tonight.

Mr. Hnatyshyn: Mr. Speaker, I rise on the same point of order. We have been sitting around today listening to a debate and making our contributions. Your Honour has pointed out on a number of occasions that these matters which have been raised, particularly by the minister responsible for multiculturalism, are specious and facetious and are not points of order. If the minister insists on carrying on his irresponsible attitude by interrupting on spurious points of order, we are going to ask him a question during the question period.

The Acting Speaker (Mr. Turner): I suggest to the hon. member that he, now, is engaging in debate. That is not a point of order.

Mr. McKenzie: Thank you, Mr. Speaker—

The Acting Speaker (Mr. Turner): The time allotted to the hon. member for Winnipeg South Centre (Mr. McKenzie) has expired. However, he may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: No.

The Acting Speaker (Mr. Turner): Order. I should like to point out that if the parliamentary secretary is rising to speak on behalf of the Minister of Fisheries and the Environment he will close the debate.

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, to begin with I should like to pay tribute to the hon. member for Winnipeg South Centre (Mr. McKenzie) who, with his exciting and scintillating comments in the last few moments, has kept us all on the edges of our seats. But if we were on the edges of our seats on this side of the House, I cannot imagine how close to the edge of his seat the hon. member for South Shore (Mr. Crouse) must have been on the other side since the speech of the hon. member for Winnipeg South Centre so closely resembled the speech given by the hon. member for South Shore some months ago.

An hon. Member: A summer rerun!

Mr. Fleming: I should like to describe this bill as a housekeeping bill. It is an important bill, and there are controversial matters in it which I should think all hon. members would wish to discuss in committee. This can be done on the basis of the assurances which the Minister of Fisheries and Environment (Mr. LeBlanc) gave when he opened this debate several months ago—late last year, in fact.

You know, Mr. Speaker, that for the House to have 18 speakers on a bill passed in the late 1800's and amended to a moderate extent in 1937 and now, finally, being brought into order, stretching it out not only over a full day last December, but for a full day today, with twice as many speakers from the

official opposition as from the other parties, indicates the extent of some of the problems we face in the House of Commons these days.

Some hon. Members: Hear, hear!

Mr. Fleming: We have heard from members today who have never before expressed themselves on small craft harbours and, frankly, I do not think they have ever stepped in a boat before. Today, they are experts. Some are experts and others simply espouse the words of other, thoughtful members among their colleagues who did make contributions earlier in the debate. Mr. Speaker, I am parliamentary secretary to a minister who is thoughtful, who works hard, and who has respect from both sides because of the way he discharges his responsibilities, which does not mean hon. members will not offer criticism, sometimes severe criticism, in areas of concern which relates to their own ridings. But I must say I find myself terribly disappointed when, after that kind of respect, members, for whatever reason get up and speak in such a silly manner with regard to legislation brought forward by the department. I am sorry, I cannot find words more honest than that.

For instance, I find the hon. member for Prince George-Peace River (Mr. Oberle) suggesting my minister is hiding behind the Local Initiatives Program. What absurdity! The fact is that during a period of restraint, when there is very heavy pressure on all branches of government to cut back on expenditure, or to hold the line—

Mr. McKenzie: You are spending $231 million in Quebec, don't forget.

Mr. Fleming: I did not interrupt while the hon. member was reading another member's speech. I am making my own speech and I would appreciate it if the hon. member would not interject.

I find members like the member for Prince George-Peace River accusing my minister of hiding behind the Local Initiatives Program, when in fact he has fought hard to provide assistance to our fishermen in a time of restraint, even though it was not as much as he would like.

● (2210)

When in turn that minister is helped and, with the assistance of the parliamentary process, has made LIP work to the extent that an additional $5.5 million is going into small craft harbours, I find I am disappointed in the hon. member who, from my experience, is not widely experienced in this subject when he says something as silly as that. I do not want to be angry, but I have had to sit through this for a long time and I find the debate on a bill as fundamental and as basic as this one to be long. This is a measure of the seeming degradation our process faces today, because some of us on all sides realize that if we want parliament to survive, if we want the most free democracy in the world to continue and progress, we will all have to be a little more responsible in the process.

Some hon. Members: Hear, hear!

[Mr. Fleming.]

Mr. Fleming: Now, Mr. Speaker, I want to talk on a particular subject.

Mr. McKenzie: Tell us about unemployment.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order, please. The parliamentary secretary has the floor and I suggest we all listen to him.

Mr. Fleming: I wish the hon. member for Winnipeg South Centre had been as original in his thoughts as he is now in his interjections. Various hon. members opposite have been critical of the amounts of money being spent on small craft harbours and have discussed this in the debate on the bill. In its responsibility for this program, the expenditures of the Department of Fisheries on small craft harbours varied from a low of about $8 million a year to a little over $13 million a year. The average annual expenditure for these years was $11,789,000. That is in sharp contrast to the expenditure levels in recent years. In 1973-74 the government spent over $22 million, in 1974-75 nearly $31 million, 1975-76 nearly $29 million, and this year we expect the total to be about $40 million. The money for this year includes special funding of $5 million for commitments under the Canada-Quebec agreement and $5 million for the federal labour intensive program. I believe that the record speaks for itself.

Some hon. Members: Hear, hear!

Mr. Fleming: We hear from particular members in the opposition about the concerns in their ridings. Surely that is their right and obligation as elected members. But I wish that collectively they would have some common sense, some priorities. I wish the official opposition could tell us how they would set their priorities. There are many demands for better facilities for small craft harbours, especially for our fishermen. But also I know from colleagues on my side and on the other side of the need for facilities for pleasure craft harbours. In my own province of Ontario I see immense pressure for better facilities with the growing number of pleasure craft, but I wish hon. members opposite would tell us what their priorities are. On each bill they rise in the House and demand heavy increases in expenditures, and yet they criticize us for government spending. They must make up their minds. They are speaking from both ends, and that is very difficult to do.

Mr. McKenzie: Who commanded Mirabel?

Mr. Fleming: I do not think any of us were brought to life by the speech of the hon. member for Winnipeg South Centre, although it was better received last December when delivered by another hon. member. The hon. member for South Shore in his statement to the House last December said that under this bill the minister can build recreational harbours wherever he chooses without regard for provincial and municipal desires. In all fairness let me say that I believe the statement is misleading because Clause 5(2) of the bill makes clear that that is not the case. The earlier statement by my minister introducing Bill

C-7 also mentioned that recreational boating programs will emphasize joint planning and co-operation with the provinces.

Some hon. members opposite have expressed concern that expenditures on recreational harbours might be made at the expense of our fishermen. An examination of the record shows that since the transfer of responsibility for small craft harbours to the Department of Fisheries and the Environment, priority has consistently been given to commercial fisheries rather than to recreational boating in the way of wharves and facilities. This has been the policy of my minister, and when he led off this debate he made it clear that that will continue to be the emphasis. As his parliamentary secretary and as a member from Ontario I should say, however, that I am particularly aware of the concern of those hon. members who do not come from wealthy ridings and who are very concerned about the provision of facilities for pleasure craft harbours in Ontario and, to some degree, in B.C. as well.

My minister has made it clear that his priority must be operational harbours to assist Canadians in the fisheries business. Pleasure craft harbours are where a viable operation can be developed in the private sector. Pleasure craft harbours must also be encouraged. However, I do want to note that my minister and his officials are aware of the concern of hon. members who are worried about attention not being given to pleasure craft harbours, but again his emphasis must be where the greatest deprivation and the greatest need exists, and that is with our working fishermen.

One of the speakers earlier today expressed concern about just how figures are arrived at and what moneys are put toward the development of small craft harbours. I believe it was the hon. member for Annapolis Valley (Mr. Nowlan). I think he suggested that there might be—if not so much today, in yesteryear—favouritism according to votes and that this was based on the number of votes landed, as he put it. He said sometimes it was argued that it was based on the landed value of fish. I simply want to point out that the landed value of fish is only one of many factors considered in the allocation of funds. The department also considers the state and number of wharves in a particular area, the number and size of fishing vessels in that area, the harbours, the volume of landings and the potential for the future of the resource in each location.

Social and community factors are also given due consideration. It is not as easy or as simple as the hon. member would make it. I believe if we were to break it down according to members and political parties, we might be led to believe that the allocations are based on the number of votes garnered by opposition parties and not by us, because in fact some of the opposition parties do very well compared with our members in the maritime regions.

I should also mention that our marina assistance policy is under review in light of Bill C-7, and we will be making some changes. The hon. member for South Shore asks why we should spend money on this type of project and receive no direct return from the developer on the federal contribution. The department is presently examining this matter and would welcome suggestions from the committee.

Several hon. members opposite have expressed concern that under this bill the government intends to appoint zone managers. Nowhere in the bill is there a reference to zone managers, nor do we presently have plans to establish this type of management. I am sure that hon. members can recall complaints about disarray, neglect and unsupervised wharves, and they will therefore agree that a modest degree of proper wharf supervision is essential. That is what this bill is all about. It would bring to order things which have grown to disorder over the years. This is what the bill proposes to introduce, and the minister looks forward to more discussion of it in detail in the committee.

There has been a misstatement of fact which should be corrected for the record. It relates to Clause 25(2) and a fine of $50. That is a maximum and not a minimum fine, as has been alleged by the hon. member for South Shore. Perhaps the wording of this clause is not too clear, with all respect to that hon. member, in which case we might consider an appropriate revision in committee.

I know that some hon. members on both sides of the House who have been concerned about this particular legislation are concerned that at this point in time when there is an awful lot of economic duress, especially in our maritime areas, and particularly on the east coast, that the introduction of a fee structure such as that proposed in this bill might be very unfair and detrimental to our fisheries workers. The minister has asked me to asssure those hon. members that he realizes this is a difficult time, and he assures them he will go very cautiously in this matter. He looks forward to hearing from them on this matter in the committee.

There are some other minor points which hon. members have raised and which will be discussed in the committee. I appreciate the opportunity to speak on this bill. I am sorry if I was a little angry and strident at the beginning. I want to close by saying that there have been contributions from both sides of this House by thoughtful members who are knowledgeable about the problem. I am sure we will have the best possible legislation when it comes back to the House after going to the committee.

● (2220)

The Acting Speaker (Mr. Turner): Would the Parliamentary Secretary to the Minister of Fisheries and the Environment (Mr. Fleming) accept a question from the hon. member for South Shore (Mr. Crouse)?

Mr. Fleming: Certainly, Mr. Speaker.

Mr. Crouse: The hon. parliamentary secretary referred to a comment I made when addressing the House on this bill on December 10 to the effect that the minister can build recreational harbours wherever he chooses, as being somewhat misleading. I should like to ask the hon. member if my interpretation of Clause 5(1) is incorrect. The clause reads as follows:

5. (1) The Minister may undertake projects for the acquisition, development, construction, improvement or repair of any scheduled harbour or any fishing or recreational harbour to which this Act applies.

It does not state that this will be done with the consent of the provinces. If I have misread the bill it was not my intention to mislead the House. I submit, however, that as long as the present wording stands that "The minister may undertake projects" for the construction of recreational harbours, etc., without saying that this must be following consultation with the provinces, then the bill gives the minister wide powers to build recreational harbours wherever he chooses. I should like the hon. parliamentary secretary to clarify that clause. It is one to which we on this side took exception in the belief that it granted wide powers to the minister.

Mr. Fleming: Mr. Speaker, as I said earlier in my comments, as I understand it from our officials, other parts of the bill reassure that it will work on a co-operative basis. I want to assure the hon. member, because of his deep concern, that I will take the matter back to the department and see that they are either prepared to defend that clause as being fair and equitable or have it changed.

The Acting Speaker (Mr. Turner): Would the parliamentary secretary accept a question from the hon. member for Carleton-Charlotte (Mr. McCain)?

Mr. Fleming: Yes, Mr. Speaker.

Mr. McCain: Mr. Speaker, in view of the vast amount of evidence to indicate that the wharfage system is not an equitable system of collecting fees at the harbours would the minister, through his parliamentary secretary, give consideration to the elimination of that clause from the bill and to establishing an equitable system of fee gathering?

Mr. Fleming: Mr. Speaker, I do not profess to have the expertise of the hon. member for Carleton-Charlotte (Mr. McCain), and I say that sincerely because of the nature of his riding. My understanding is that we want to straighten out many of the inequities. We appreciate that wharfingers operate in some areas and not in others and that is inequitable. In turn we do not want to introduce a system which brings hardship to people already suffering hardship by levying some heavy fee against them.

One reason why I am anxious that this bill go to committee is that we may hear the contributions of thoughtful members from ridings that have this kind of situation so that we can seek a solution that will be equitable to everybody. I agree with the hon. member that it is not entirely equitable now.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

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

* * *

STATUTE LAW (METRIC CONVERSION) AMENDMENT ACT, 1976

AMENDMENTS TO WHEAT BOARD ACT TO FACILITATE CONVERSION TO METRIC SYSTEM

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

The Acting Speaker (Mr. Turner): The hon. member for Red Deer (Mr. Towers).

Mr. Towers: Mr. Speaker, may I call it 10.30 p.m.?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): It being 10.30 p.m. this House stands adjourned until tomorrow at two o'clock p.m.

At 10.26 p.m. the House adjourned, without question put, pursuant to Special Order.

END OF VOLUME VI